Johnson RFP for GIS 4

Tyler Technologies, Inc 41G1501
CLT Division

Johnson County, Indiana

Proposal for
Annual Adjustment
of Real Property Assessments

Original

August 10, 2007

Harrison County, Indiana

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tyler
clt division

Letter of Transmittal

tyler
TECHNOLOGIES

Tyler Technologies, Inc.
CLT Appraisal & Tax Solutions
3199 Klepinger Road Dayton, OH 45406 (p) 800.800.2581 (f) 937.278.3711 www.tylertech.com

August 10, 2007

Johnson County Assessor's Office
86 West Court Street
Franklin, IN 46131

Stake Holders of Johnson County:

Tyler Technologies, Inc. | CLT Division (CLT) is pleased to respond to your Request for Proposal (RFP) for Annual Adjustment of Real Property Assessments. Under IC 6-1.1-3.7 CLT is certified in Johnson County as a Professional Appraiser. To meet the challenge, CLT will deliver its industry leading mass appraisal procedures and valuation techniques.

CLT is confident that we bring a level of appraisal expertise that no other vendor can match. We have provided appraisal services for counties throughout Indiana for over fifty (50) years and the quality of our workmanship and depth of our appraisal knowledge is evident in all of those projects. We are proposing Cathi Gould as our project supervisor as well as our primary contact. Assisting Cathi on this project will be Bill Birkle and Gary Utt which both have vast knowledge of Indiana Assessment Procedures. We understand your need for annual adjustment of real property assessments and we understand how to get it done right.

Our proposal includes this Letter of Transmittal, Form 96, Detailed Proposal with Scope of Services and Qualifications Package. The proposal price is valid for 60 days. Upon award of contract and at the request of the County, CLT shall provide a Performance Bond. The proposal is confidential and proprietary and only for the use of Johnson County.

We realize that you will have several options to consider. However, we feel that we understand your needs and can provide you with the best value for your money. Best value can be defined as a combination of quality, price, risk, and all the elements required that in total you judge to meet your needs.

Sincerely,

Troy D. Fryman

Troy D. Fryman
Sales Executive

Form 96

Prescribed by State Board of Accounts

State Form 52414 (10-05)
Form No. 96 (Revised 2005)

CONTRACTOR'S BID FOR PUBLIC WORK – FORM 96

PART I

(To be completed for all bids. Please type or print)

Date: August 10, 2007

1. Governmental Unit (Owner): Johnson County, Indiana
2. County Johnson County
3. Bidder (Firm) Tyler Technologies, Inc., CLT Division

   Address: 3199 Klepinger Road

   City/State: Dayton, Ohio 45406
4. Telephone Number: (800) 800-2581
5. Agent of Bidder (if applicable): ______

Pursuant to notices given, the undersigned offers to furnish labor and/or material necessary to complete the public works project of Annual Adjustment of Real Property Assessments (Governmental Unit) in accordance with plans and specifications prepared by Tyler Technologies, Inc 3199 Klepinger Rd., Dayton, OH 45406 and dated August 10, 2007 for the sum of NINETY-EIGHT THOUSAND EIGHT HUNDRED DOLLARS $98,800

The undersigned further agrees to furnish a bond or certified check with this bid for an amount specified in the notice of the letting. If alternative bids apply, the undersigned submits a proposal for each in accordance with the notice. Any addendums attached will be specifically referenced at the applicable page.

If additional units of material included in the contract are needed, the cost of units must be the same as that shown in the original contract if accepted by the governmental unit. If the bid is to be awarded on a unit basis, the itemization of the units shall be shown on a separate attachment.

The contractor and his subcontractors, if any, shall not discriminate against or intimidate any employee, or applicant for employment, to be employed in the performance of this contract, with respect to any matter directly or indirectly related to employment because of race, religion, color, sex, national origin or ancestry. Breach of this covenant may be regarded as a material breach of the contract.

CERTIFICATION OF USE OF UNITED STATES STEEL PRODUCTS
(If applicable)

I, the undersigned bidder or agent as a contractor on a public works project, understand my statutory obligation to use steel products made in the United States (I.C. 5-16-8-2). I hereby certify that I and all subcontractors employed by me for this project will use U.S. steel products on this project if awarded. I understand that violations hereunder may result in forfeiture of contractual payments.

ACCEPTANCE

The above bid is accepted this ____________ day of ________________, ________, subject to the following conditions: ____

____

Contracting Authority Members:

______________________________ ______________________________

______________________________ ______________________________

______________________________ ______________________________

PART II
(For projects of $100,000 or more – IC 36-1-12-4)

Governmental Unit: Johnson County, Indiana

Bidder (Firm) Tyler Technologies, Inc., CLT Division

Date: August 10, 2007

These statements to be submitted under oath by each bidder with and as a part of his bid. Attach additional pages for each section as needed.

SECTION I EXPERIENCE QUESTIONNAIRE

1. What public works projects has your organization completed for the period of one (1) year prior to the date of the current bid?

Contract Amount	Class of Work	Completion Date	Name and Address of Owner
$120,000	Assessment Services/Trending	12/31/2006	Bartholomew County, IN
$144,000	Assessment Work/Trending	12/31/2006	DuBuois County, IN
$133,000	Assessment Work/Trending	12/31/2006	Perry County, IN
$212,000	Assessment Work/Trending	12/31/2006	Warrick County, IN

2. What public works projects are now in process of construction by your organization?

Contract Amount	Class of Work	Expected Completion Date	Name and Address of Owner
$184,600	Assessment Work /Trending	12/31/2007	Clay County, IN
$153,800	Assessment Work /Trending	12/31/2007	DuBuois County, IN

$115,800	Assessment Work /Trending	12/31/2007	Perry County, IN
$175,000	Assessment Work /Trending	12/31/2007	Sullivan County, IN
$186,000	Assessment Work /Trending	12/31/2007	Warrick County, IN

3. Have you ever failed to complete any work awarded to you? No If so, where and why?

4. List references from private firms for which you have performed work.

N/A

SECTION II PLAN AND EQUIPMENT QUESTIONNAIRE

1. Explain your plan or layout for performing proposed work. (Examples could include a narrative of when you could begin work, complete the project, number of workers, etc. and any other information which you believe would enable the governmental unit to consider your bid.)

   Please see the Scope of Services within the Proposal

2. Please list the names and addresses of all subcontractors (i.e. persons or firms outside your own firm who have performed part of the work) that you have used on public works projects during the past five (5) years along with a brief description of the work done by each subcontractor.

   N/A

3. If you intend to sublet any portion of the work, state the name and address of each subcontractor, equipment to be used by the subcontractor, and whether you will require a bond. However, if you are unable to currently provide a listing, please understand a listing must be provided prior to contract approval. Until the completion of the proposed project, you are under a continuing obligation to immediately notify the governmental unit in the event that you subsequently determine that you will use a subcontractor on the proposed project.

   N/A

4. What equipment do you have available to use for the proposed project? Any equipment to be used by subcontractors may also be required to be listed by the governmental unit.

   N/A

5. Have you entered into contracts or received offers for all materials which substantiate the prices used in preparing your proposal? If not, please explain the rationale used which would corroborate the prices listed.

   N/A

SECTION III CONTRACTOR'S FINANCIAL STATEMENT

Attachment of bidder's financial statement is mandatory. Any bid submitted without said financial statement as required by statute shall thereby be rendered invalid. The financial statement provided hereunder to the governing body awarding the contract must be specific enough in detail so that said governing body can make a proper determination of the bidder's capability for completing the project if awarded.

Tyler's 2006 Annual Report is included at the back of this form.

SECTION IV CONTRACTOR'S NON – COLLUSION AFFIDAVIT

The undersigned bidder or agent, being duly sworn on oath, says that he has not, nor has any other member, representative, or agent of the firm, company, corporation or partnership represented by him, entered into any combination, collusion or agreement with any person relative to the price to be bid by anyone at such letting nor to prevent any person from bidding nor to include anyone to refrain from bidding, and that this bid is made without reference to any other bid and without any agreement, understanding or combination with any other person in reference to such bidding.

He further says that no person or persons, firms, or corporation has, have or will receive directly or indirectly, any rebate, fee, gift, commission or thing of value on account of such sale.

SECTION V OATH AND AFFIRMATION

I HEREBY AFFIRM UNDER THE PENALTIES FOR PERJURY THAT THE FACTS AND INFORMATION CONTAINED IN THE FOREGOING BID FOR PUBLIC WORKS ARE TRUE AND CORRECT.

Dated at Dayton, Ohio this 8th day of August, 2007

Tyler Technologies, Inc., CLT Division
(Name of Organization)

By Matthew A. Tenhundfeld

Sales Support
(Title of Person Signing)

ACKNOWLEDGEMENT

STATE OF OHIO)
) ss
COUNTY OF MONTGOMERY)

Before me, a Notary Public, personally appeared the above-named Matthew A. Tenhundfeld and

swore that the statements contained in the foregoing document are true and correct.

Subscribed and sworn to before me this 8th day of August, 2007.

Karrie R. Sears
Notary Public

KARRIE R. SEARS, Notary Public
In and for the State of Ohio

My Commission Expires: My Commission Expires Nov. 30, 2008

County of Residence: MONTGOMERY

Form No. 96 (Revised 2005)

BID OF

Tyler Technologies, Inc., CLT Division
(Contractor)

3199 Klepinger Road
(Address)

Dayton, Ohio 45406

FOR

PUBLIC WORKS PROJECTS

OF

Filed ____________________, ______

Action taken ____________________

2007 Annual Report

CHANNELING SUCCESS

Tyler Technologies 2006 Annual Report

Tyler Technologies has a singular focus: delivering enterprise software solutions that help local governments better manage their day-to-day operations. With a broad portfolio of solutions and deep expertise in the business of local government, we are channeling success every day, proving that Tyler not only works—we truly deliver.

Tyler Technologies channels success to our customers because we help build community. The Tyler neighborhood of products and services enable cities, counties, and states of all sizes to strategically address their day-to-day business issues—financial, education, pension, public safety, tax and appraisal, citizen services, and courts and justice.

JOHN M. YEAMAN
Chairman of the Board

JOHN S. MARR, JR
President and Chief Executive Officer

new complementary products through acquisitions in early 2006. With these additions, we now offer the Tyler Education Management solution for K-12 schools and the Tyler Pension Management solution for local governments. Both products align well with our existing financial solutions and are being leveraged across our sales and implementation channels to provide expected avenues for future growth.

BUILDING ALLIANCES

In January 2007, we announced an exciting new strategic alliance with Microsoft Corporation. As part of this arrangement, Tyler will develop the core public sector functionality for the Microsoft Dynamics AX business management solution. Tyler will also become a reseller of the Microsoft Dynamics AX solution in the public sector market. We will receive license and maintenance royalties on all direct and indirect sales of this solution —including sales by other Microsoft partners. We believe this alliance and the Microsoft brand will strengthen our position in the financial systems arena, particularly in larger "Tier 1" opportunities. In addition, this alliance will give us the opportunity to generate revenues from a much broader market than we would likely address directly in the foreseeable future, including federal and international markets. Moving forward, we expect to explore other opportunities to align ourselves with strategic partners that can help make our products more competitive or expand our market presence.

DELIVERING FUTURE SUCCESS

Entering 2007, Tyler Technologies has the right components in place to continue channeling results. Thanks to our broad portfolio of feature-rich solutions, deep domain expertise, and an exceptional employee group that regularly exceeds customer expectations, we are uniquely positioned to capitalize on a large and growing market that remains very fragmented. And through the consistent execution of our key strategies, we expect to continue to achieve above-market growth in the coming years. With a record high backlog of $206 million at the end of 2006, we have good visibility into the coming year. As our newer products continue to mature and gain scale we expect that margins will continue to expand over the long term.

An essential component of any company's success is anticipating needs. At Tyler, because we serve only state and local governments, we truly understand the unique and complex requirements of our customers and look to the future with those needs in mind. We stay intensely focused on constantly improving the competitive position of our offerings. Based on our solid performance in 2006, we believe the coming years will provide continued opportunity and growth for Tyler Technologies.

JOHN S. MARR, JR.
President and
Chief Executive Officer

CROSS-SELLING TO OUR CUSTOMER BASE

potential. In the last two years we have refined our organizational structure to effectively utilize our management strength and streamlined operations to create greater efficiencies—opening new channels for growth. Sharpening our vision has enabled us to more effectively provide our customers with products and services that emphasize functionality and deliver results. And for our shareholders, this commitment translates to a stronger return on their investment. With this solid base and consistent performance, we are well positioned to capture increased market share and grow revenues, earnings, and cash flow. With vision and discipline, we will continue building on this foundation in the future.

EXPANDING OUR FOOTPRINT

Historically, many of Tyler's products have had a regional presence, targeting specific geographic areas and customer markets. With a unified national sales channel and increased marketing and branding activities, we have broadened our efforts to market and sell each of our software solutions in geographic areas where we previously had limited or no presence.

Today, our products are offered nationwide and are delivering outstanding growth from geographic expansion. Our INCODE financial solution, for example, historically had a regional presence primarily in the Southwest. In 2006, we signed our first INCODE customers in New York and Maryland.

Tyler Technologies helps city, county, and state agencies of all sizes manage the complex network of services they deliver to local citizens.

Tyler Technologies seeks to provide customers with the best user experience possible. That's why we provide installation services, training, maintenance, and support ourselves, rather than outsourcing to third parties.

small portion of our business to date, they have the potential to generate significant revenue contributions in the future.

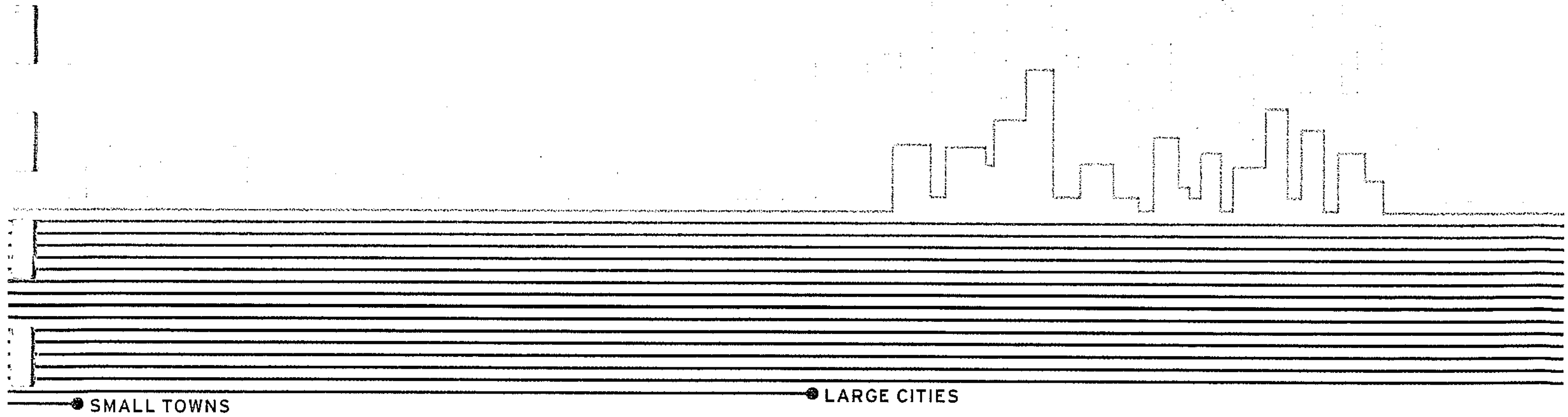
No matter how large or small, all local government agencies want to obtain the best return on their investment today—and in the future. Tyler's deep experience in technology innovation and working with the public sector helps us better anticipate our customers' needs. And in a market that's highly fragmented, this keen understanding and responsiveness gives us an advantage. Unlike many of our competitors, which either narrowly focus on a few applications or allocate resources across many vertical markets, Tyler empowers local government with the right tools to get the right results.

MOVING INTO LARGER OPPORTUNITIES

With small and mid-sized cities and counties composing the majority of local governments, Tyler's business has historically focused on serving these customers. Although we remain firmly committed to this segment of the market, we are also successfully moving into larger opportunities. At Tyler, we have the strength to devote substantial resources to product development and have upgraded products by introducing technologies that are very competitive. As our brand reputation and presence have increased, we are winning more of these higher-end deals, as prospects are increasingly recognizing the value of our government-specific solutions and our reputation for completing implementations on time and on budget.

Our Odyssey courts and justice solution has been particularly successful in larger opportunities, with contracts from six of the top 20 counties nationwide and two statewide implementations. In 2005, we moved into Miami-Dade County, Florida, with a $4.1 million contract and Clark County (Las Vegas), Nevada, with a $4.5 million deal, the 8th and 16th largest U.S. counties, respectively. Carrying this momentum into 2006, we secured our largest software license contract to date—a $12.4 million software license agreement for Odyssey with the Texas Conference of Urban Counties, a consortium composed of 34 member counties representing nearly 80 percent of the state's population. This deal also presents significant potential for recurring revenues. Each member county that adopts Odyssey is responsible for the fees associated with implementation services, modifications and enhancements, and maintenance. Since signing the deal with the Conference of Urban Counties, we have already brought on several new customers from the member counties, including Collin County, Texas, which signed a $1.7 million deal. As with Odyssey, we are also winning larger contracts with our other products. Our MUNIS financial solution, for example, was awarded a contract worth $3.6 million with the U.S. Virgin Islands in 2006.

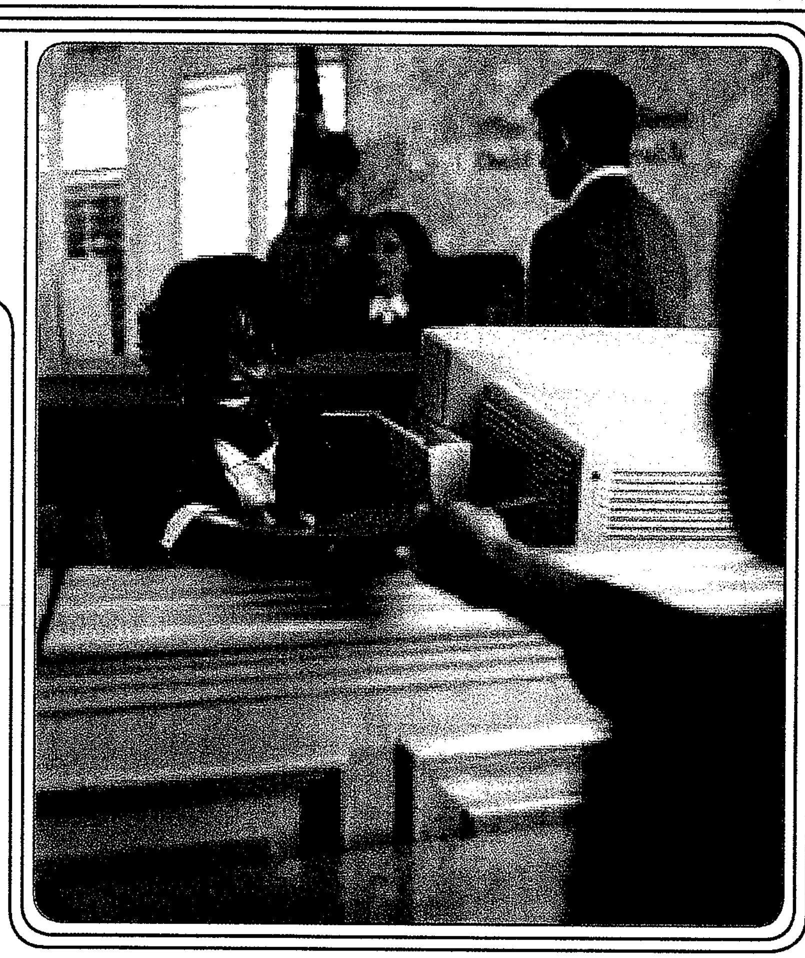
As with our small and mid-sized clients, we are successfully competing for larger clients because we have the right combination of proven industry-specific experience and a legacy of innovation. This broad customer

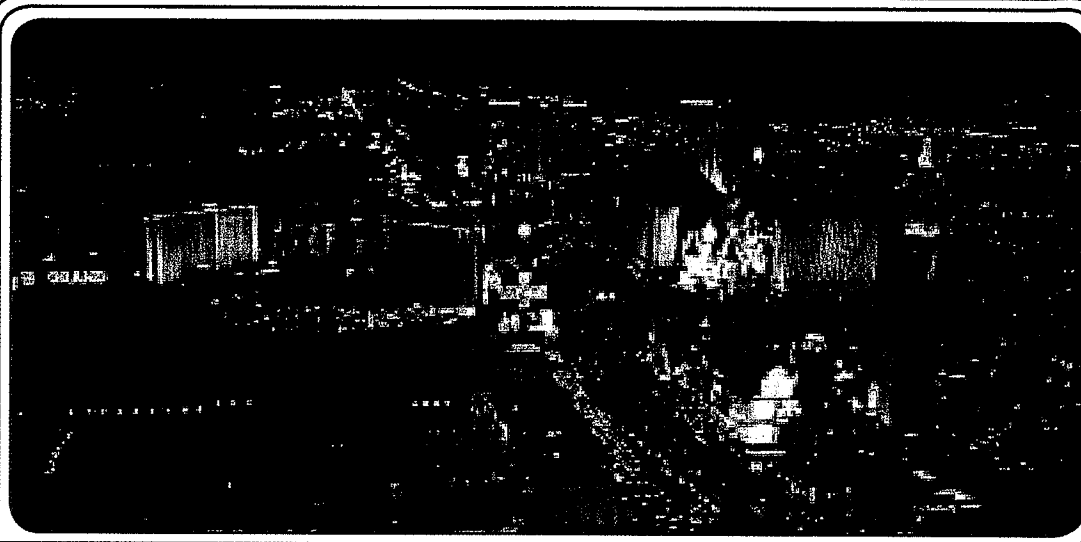


Tyler Technologies channels results for our stakeholders through steady growth and a business model with strong operational leverage. With a clear strategy, healthy balance sheet, and competitive products, we believe Tyler is perfectly positioned for continued success in a large and growing market.

COURTS & JUSTICE

In recent years, Tyler Technologies has successfully expanded into larger clients. Our Odyssey courts and justice solution has now been purchased by six of the 20 largest U.S. counties.





At Tyler Technologies, we have put the infrastructure in place to support our long-term growth strategies—helping us better respond to customer demands, technological developments, and market changes.

ESTABLISHING NEW ALLIANCES

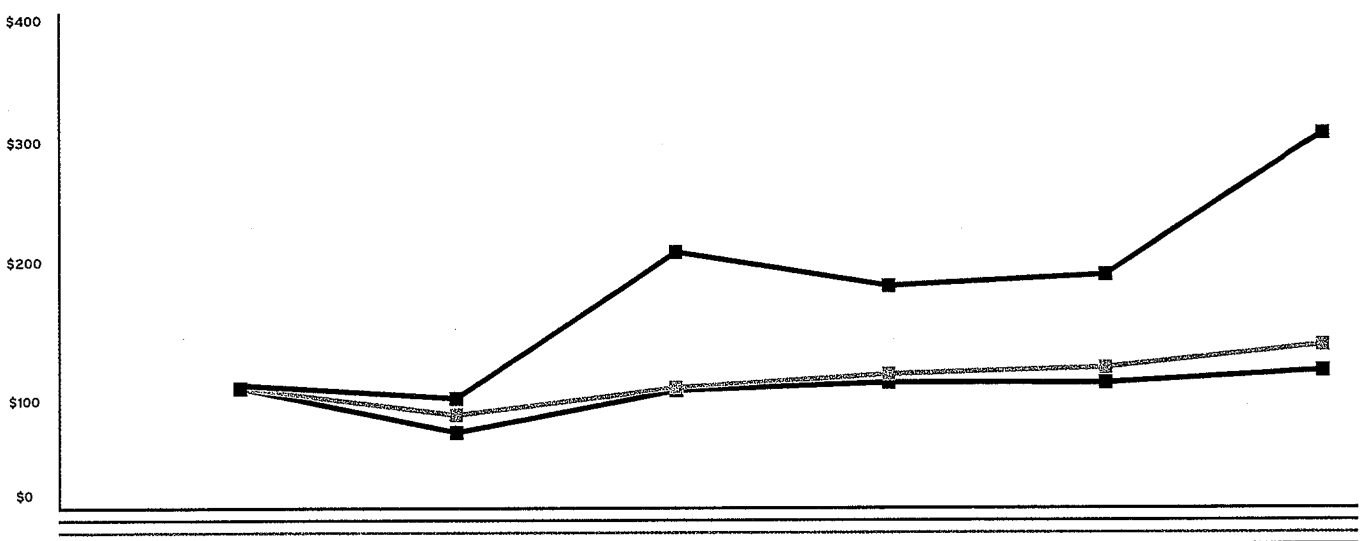
Another growth opportunity for Tyler lies in forging new relationships with other technology leaders. In January 2007, we entered into a strategic alliance with Microsoft Corporation to enhance the Microsoft Dynamics AX business management solution with core public sector-specific functionality. Utilizing our vast knowledge of the government market, we will broaden the functionality of Microsoft Dynamics AX to address the unique accounting needs of public sector organizations worldwide. Tyler will resell Microsoft Dynamics AX solutions directly into the government market. And we will also receive license and maintenance royalties on direct and indirect sales of these solutions through Microsoft's worldwide distribution channels. Although we don't expect to see significant revenues from this relationship before 2010, we expect that the Microsoft Dynamics AX product will provide us greater visibility in the upper end of the market, as well as a new presence in the federal and international markets. By leveraging our strengths to align with the right partners, Tyler is looking for new opportunities to accelerate our organic growth in the years to come.

A BRIGHT FUTURE

As expected, Tyler showed consistent growth in 2006 with our 23rd consecutive profitable quarter and revenue and free cash flow at all-time highs. At Tyler, our strong financial value is underscored by our deep domain experience and singular focus on delivering a broad portfolio of cost-effective, results-oriented solutions for local governments. As we look to the future, we plan to continue executing the strategies that have produced such strong results to date: growing our geographic footprint, deepening our customer base, moving into larger markets, broadening our product offerings, and establishing new alliances. These strategies are effective both in helping us grow our customer base and the markets we serve, and in creating a strong return for our stakeholders. From our feature-rich software solutions to the commitment and expertise of our more than 1,500 employees, it's clear that Tyler truly works...and delivers.

PERFORMANCE GRAPH

The following table compares total shareholder returns for Tyler Technologies over the last five years to the Standard and Poor's 500 Stock Index and the Standard and Poor's 600 Information Technology Index assuming a $100 investment made on December 31, 2001. Each of the three measures of cumulative total return assumes reinvestment of dividends. The stock performance shown on the graph below is not necessarily indicative of future price performance.



	2001	2002	2003	2004	2005	2006
Tyler	100.00	91.65	211.65	183.74	192.97	309.01
S&P 500	100.00	77.90	100.25	111.15	116.61	135.03
S&P 600 IT	100.00	63.58	97.83	104.33	104.08	113.89

SELECTED FINANCIAL DATA

(IN THOUSANDS, EXCEPT PER SHARE DATA) FOR THE YEARS ENDED DECEMBER 31,	2006	2005	2004	2003	2002
STATEMENT OF OPERATIONS DATA[1]:					
Revenues	**$195,303**	$170,457	$172,270	$145,454	$133,897
Costs and expenses:					
Cost of revenues[2]	**120,499**	108,970	108,432	90,627	88,347
Selling, general and administrative expenses[2]	**51,711**	46,242	45,451	38,390	33,914
Restructuring charge	**-**	1,260	-	-	-
Amortization of customer and trade name intangibles	**1,318**	1,266	1,267	925	897
Operating income	**21,775**	12,719	17,120	15,512	10,739
Realized gain on sale of investment in H.T.E., Inc.[3]	**-**	-	-	23,233	-
Other income (expense), net	**1,080**	906	317	339	(698)
Income from continuing operations before income taxes	**22,855**	13,625	17,437	39,084	10,041
Income tax provision	**8,493**	5,432	7,309	13,106	3,869
Income from continuing operations	**$ 14,362**	$ 8,193	$ 10,128	$ 25,978	$ 6,172
Income from continuing operations per diluted share	**$ 0.34**	$ 0.19	$ 0.23	$ 0.58	$ 0.12
Weighted average diluted shares	**41,868**	42,075	44,566	45,035	49,493
STATEMENT OF CASH FLOWS DATA:					
Cash flows provided by operating activities	**$ 26,804**	$ 21,187	$ 22,159	$ 22,535	$ 19,845
Cash flows (used by) provided by investing activities	**(24,326)**	1,820	(9,914)	(590)	(7,974)
Cash flows used by financing activities	**(5,999)**	(14,847)	(9,940)	(25,421)	(3,398)
BALANCE SHEET DATA:					
Total assets	**$220,276**	$194,437	$190,487	$186,396	$169,845
Long-term obligations, less current portion	**-**	-	-	-	2,550
Shareholders' equity	**125,875**	112,197	118,400	117,907	118,656

(1) In December 2003, we acquired Eden Systems, Inc. ("Eden"), a provider of financial, personnel and citizen services software for local governments. These results include the results of the operations of Eden from the date of its acquisition.

(2) Effective January 1, 2006, we adopted the fair value recognition provisions of Statement of Financial Accounting Standards No. 123R, "Share-Based Payment" using the modified-prospective method. In 2006 cost of revenues include $147,000 share-based compensation expense and selling, general and administrative expenses include $1.8 million share-based compensation expense. In accordance with the standard, results of operations for the years prior to 2006 are reported under the previous accounting standard and no expense was recorded.

(3) On March 25, 2003, we received cash proceeds of $39.3 million in connection with a transaction to sell all of our 5.6 million shares of H.T.E., Inc. ("HTE") common stock to SunGard Data Systems Inc. for $7.00 cash per share. Our original cost basis in the HTE shares was $15.8 million. After transaction and other costs, we recorded a gross realized gain of $23.2 million ($16.2 million or $0.36 per diluted share after income taxes of $7.0 million) for the year ended December 31, 2003.

- **Selling, General and Administrative ("SG&A") Expenses** – The primary components of SG&A expense are administrative and sales personnel salaries and commissions, marketing expense, research and development costs, rent and professional fees. Sales commissions generally fluctuate with revenues but other administrative expenses tend to grow at a slower rate than revenues; however, these costs have recently grown disproportionately because of the requirements of corporate governance legislation. Research and development costs fluctuate from year-to-year depending on product development activity.

- **Liquidity and Cash Flows** – The primary driver of our cash flows is net income. Uses of cash include acquisitions, capital investments in software development and property and equipment and the discretionary purchases of treasury stock. During 2006 we used cash of $12.2 million to acquire two small companies and certain maintenance and support agreements. In 2006, we also purchased 1.0 million shares of our common stock at an aggregate cash purchase price of $10.5 million. Our working capital needs are fairly stable throughout the year with the significant components of cash outflows being payment of personnel expenses offset by cash inflows representing collection of accounts receivable and cash receipts from customers in advance of revenue being earned.

- **Balance Sheet** – Cash, accounts receivable and days sales outstanding and deferred revenue balances are important indicators of our business.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues, cost of revenues and expenses during the reporting period, and related disclosure of contingent assets and liabilities. The Notes to the Consolidated Financial Statements included as part of this Annual Report describe our significant accounting policies used in the preparation of the consolidated financial statements. On an on-going basis, we evaluate our estimates, including, but not limited to, those related to intangible assets, bad debts and our service contracts. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies affect significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition. We recognize revenues in accordance with the provisions of Statement of Position ("SOP") 97-2, "Software Revenue Recognition," as amended by SOP 98-4 and SOP 98-9, as well as Technical Practice Aids issued from time to time by the American Institute of Certified Public Accountants, and in accordance with the Securities and Exchange Commission Staff Accounting Bulletin No. 104 "Revenue Recognition." We recognize revenue on our appraisal services contracts using the proportionate performance method of accounting, with considerations for the provisions of Emerging Issue Task Force No. 00-21, "Revenue Arrangements with Multiple Deliverables." Our revenues are derived from sale of software licenses, appraisal services, maintenance and support, and services that typically range from installation, training and basic consulting to software modification and customization to meet specific customer needs. For multiple element software arrangements, which do not entail the performance of services that are considered essential to the functionality of the software, we generally record revenue when the delivered products or performed services result in a legally enforceable and non-refundable claim. We maintain allowances for doubtful accounts and sales adjustments, which are provided at the time the revenue is recognized. Because most of our customers are governmental entities, we rarely incur a loss resulting from the inability of a customer to make required payments. In a limited number of cases, we encounter a customer who is dissatisfied with some aspect of the software product or our service, and we may offer a "concession" to such customer. In those limited

These intangible assets are amortized over their estimated useful lives. All intangible assets with definite and indefinite lives are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of goodwill is generally measured by a comparison of the carrying amount of an asset to its fair value, generally determined by estimated future net cash flows expected to be generated by the asset. Recoverability of other intangible assets is generally measured by comparison of the carrying amount to estimated undiscounted future cash flows. The assessment of recoverability or of the estimated useful life for amortization purposes will be affected if the timing or the amount of estimated future operating cash flows is not achieved. Events or changes in circumstances that indicate the carrying amount may not be recoverable include, but are not limited to, a significant decrease in the market value of the business or asset acquired, a significant adverse change in the extent or manner in which the business or asset acquired is used, or a significant adverse change in the business climate. In addition, products, capabilities, or technologies developed by others may render our software products obsolete or non-competitive.

Share-based Compensation. We have a stock option plan that provides for the grant of stock options to key employees, directors and non-employee consultants. Prior to January 1, 2006, we accounted for share-based compensation utilizing the intrinsic value method in accordance with the provisions of Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. Accordingly no compensation expense was recorded because the exercise prices of the stock options equaled the market prices of the underlying stock on the dates of grants. However, prior to adoption of Statement of Financial Accounting Standards ("SFAS") No. 123R, share-based compensation had been included in pro forma disclosures in the financial statement footnotes for periods prior to 2006.

Effective January 1, 2006, we adopted the provisions of SFAS No. 123R, "Share-Based Payment," which establishes accounting for share-based awards exchanged for employee services, using the modified prospective application transition method. Subsequently, we recorded compensation expense in our statement of operations over the service period that the awards are expected to vest. Compensation cost recognized in 2006, includes the applicable amounts of: (a) compensation cost of all share-based payments granted prior to, but not yet vested as of, January 1, 2006 (based on the grant-date fair value estimated in accordance with the original provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," and previously presented in the pro forma footnote disclosures), and (b) compensation cost for all share-based payments granted subsequent to January 1, 2006 (based on the grant-date fair value estimated in accordance with the new provisions of SFAS No. 123R).

We estimate the fair value of share-based awards on the date of grant using the Black-Scholes option valuation model. Share-based compensation expense includes the estimated effects of forfeitures, which will be adjusted over the requisite service period to the extent actual forfeitures differ, or are expected to differ from such estimates. Changes in estimated forfeitures are recognized in the period of change and will also impact the amount of expense to be recognized in future periods. Forfeiture rate assumptions are derived from historical data. We estimate stock price volatility at the date of grant based on the historical volatility of our common stock. Estimated option life is determined using the "simplified method" in accordance with Staff Accounting Bulletin No. 107. Determining the appropriate fair-value model and calculating the fair value of share-based awards at the grant date requires considerable judgment, including estimating stock price volatility, expected option life and forfeiture rates.

ANALYSIS OF RESULTS OF OPERATIONS AND OTHER

The following discussion compares the historical results of operations on a basis consistent with GAAP for the years ended December 31, 2006, 2005 and 2004.

- Software services revenue related to our document management products experienced strong increases in 2006 due to several new Java based product releases.

Maintenance. We provide maintenance and support services for our software products and third party software. Maintenance revenues increased due to growth in our installed customer base as evidenced by our software license revenue and slightly higher maintenance rates on most of our product lines.

Appraisal services. The appraisal services business is driven in part by revaluation cycles in various states. Appraisal services revenue increased over the prior year mainly due to activity related to Ohio's revaluation cycle, which occurs every six years as well as the addition of new customers. The Ohio revaluation cycle was nearly complete by the end of 2006. The level of appraisal services revenues in 2007 will depend on our ability to replace appraisal services revenues associated with the Ohio revaluation.

Cost of Revenues and Gross Margins

The following table sets forth a comparison of the key components of our cost of revenues and those components stated as a percentage of related revenues for the following years ended December 31:

($ IN THOUSANDS)	2006	% OF RELATED REVENUES	2005	% OF RELATED REVENUES	CHANGE $	CHANGE %
Software licenses	**$ 9,980**	**27%**	$ 9,101	31%	$ 879	10%
Acquired software	**1,360**	**4**	794	3	566	71
Software services and maintenance	**90,330**	**69**	80,347	69	9,983	12
Appraisal services	**13,563**	**69**	14,188	77	(625)	(4)
Hardware and other	**5,266**	**74**	4,540	72	726	16
Total cost of revenues	**$120,499**	**62%**	$108,970	64%	$11,529	11%

The following table sets forth a comparison of gross margin percentage by revenue type for the periods presented for the following years ended December 31:

GROSS MARGIN PERCENTAGES	2006	2005	CHANGE
Software licenses and acquired software	**69.7%**	66.5%	3.2%
Software services and maintenance	**31.0**	30.9	0.1
Appraisal services	**31.3**	22.8	8.5
Hardware	**26.2**	27.6	(1.4)
Overall gross margin	**38.3%**	36.1%	2.2%

Cost of software license revenues. Our software license gross margin percentage in 2006 increased due to substantially higher software license revenues and slightly lower amortization expense of software development costs as some products became fully amortized during the first quarter of 2006. Approximately half of our cost of software license revenues is amortization expense for capitalized development costs on certain software products with the remainder consisting of costs related to third-party software. Amortization costs are fixed in nature and do not change with revenue changes. Once a product is released, we begin to amortize over the estimated useful life of the product the costs associated with its development. Amortization expense is determined on a product-by-product basis at an annual rate not less than straight-line basis over the product's estimated life, which is generally five years. Development costs consist mainly of personnel costs, such as salary and benefits paid to our developers and rent for related office space.

of revenues while amortization expense of customer and trade name intangibles is recorded as other expense. The estimated useful lives of both customer and trade name intangibles are 5 to 25 years. The following table sets forth a comparison of amortization of customer and trade name intangibles for the following years ended December 31:

($ IN THOUSANDS)	2006	2005	CHANGE $	CHANGE %
Amortization of customer and trade name intangibles	**$1,318**	$1,266	$52	4%

Estimated annual amortization expense relating to customer and trade name acquisition intangibles, excluding acquired software for which the amortization expense is recorded as cost of revenues, for the next five years is as follows (in thousands):

2007	$1,348
2008	1,323
2009	1,237
2010	1,237
2011	1,221

Other

Interest income is the main component of other income, which also includes non-usage and other fees associated with a credit agreement we terminated in January 2007, gain on sale of certain assets, gains and losses on risk management liabilities and assets associated with a foreign exchange contract and miscellaneous other items. Interest income in 2006 was $1.4 million compared to $900,000 in 2005.

Income Tax Provision

The following table sets forth a comparison of our income tax provision for the following years ended December 31:

($ IN THOUSANDS)	2006	2005	CHANGE $	CHANGE %
Income tax provision	**$8,493**	$5,432	$3,061	56%
Effective income tax rate	**37.2%**	39.9%		

The effective income tax rates were different from the statutory United States federal income tax rate of 35% primarily due to state income taxes, the qualified manufacturing activities deduction and non-deductible meals and entertainment costs. In 2006 the rate is also impacted by non-deductible share-based compensation expense.

The effective rate for 2006 was lower than the prior year mainly due to changes in the Texas franchise tax law and rates enacted in the second quarter of 2006, favorable state income tax audit results and lower state income taxes as a result of a change in our corporate structure implemented in early 2005.

Slightly more than half of our stock option awards granted qualify as incentive stock options ("ISO") for income tax purposes. As such, a tax benefit is not recorded at the time the compensation cost related to the options is recorded for book purposes due to the fact that an ISO does not ordinarily result in a tax benefit unless there is a disqualifying disposition. Stock option grants of non-qualified options result in the creation of a deferred tax asset, which is a temporary difference, until the time that the option is exercised. Due to the treatment of incentive stock options for tax purposes, our effective tax rate from year to year is subject to variability.

Cost of Revenues and Gross Margins

The following table sets forth a comparison of the key components of our cost of revenues, and those components stated as a percentage of related revenues for the following years ended December 31:

($ IN THOUSANDS)	2005	% OF RELATED REVENUES	2004	% OF RELATED REVENUES	CHANGE $	CHANGE %
Software licenses	$ 9,101	31%	$ 8,819	29%	$ 282	3%
Acquired software	794	3	1,447	5	(653)	(45)
Software services and maintenance	80,347	69	72,609	68	7,738	11
Appraisal services	14,188	77	20,132	73	(5,944)	(30)
Hardware and other	4,540	72	5,425	77	(885)	(16)
Total cost of revenues	$108,970	64%	$108,432	63%	$ 538	0%

The following table sets forth a comparison of gross margin percentage by revenue type for the periods presented for the following years ended December 31:

GROSS MARGIN PERCENTAGES	2005	2004	CHANGE
Software licenses and acquired software	66.5%	66.1%	0.4%
Software services and maintenance	30.9	32.5	(1.6)
Appraisal services	22.8	26.5	(3.7)
Hardware	27.6	23.3	4.3
Overall gross margin	36.1%	37.1%	(1.0)%

Cost of software license revenues. Amortization expense for capitalized software products declined from $6.1 million in 2004 to $5.9 million in 2005, because certain software products became fully amortized during 2005, which offset new amortization expense from software products released in 2004.

Cost of acquired software. In 2005 cost of acquired software declined compared to the prior year because certain acquired software assets recorded for previous acquisitions became fully amortized.

Cost of software services and maintenance revenues. In 2005 cost of software services and maintenance grew 11% while the related software services and maintenance revenues increased 8% compared to the prior year period. During 2005, costs increased at a faster rate than related software services and maintenance revenues, which reflects lower utilization of personnel in our appraisal and tax software division, costs to support our recently released Orion products, a shift in the roles of certain of our development personnel whose costs were capitalized in 2004 to projects that were expensed in 2005, and higher health care costs.

Cost of appraisal services revenues. The decline in the cost of appraisal services revenues is the result of lower appraisal services revenues. We often hire temporary employees to assist in appraisal projects whose term of employment generally ends with the projects' completion. In addition, in the second quarter of 2005 we made significant organizational changes to our appraisal services division because of the declining gross margins.

Gross margin percentage. The overall gross margin percentage decline was due to cost inefficiencies associated with lower appraisal services revenues and efforts and costs to support our recently released Orion products, as well as a shift in the roles of certain of our development personnel whose costs were capitalized in 2004 to projects that are being expensed in 2005 and higher health care costs.

investing activities during 2006 were capital expenditures of $4.3 million, including $4.1 million for computer hardware and purchased software for internal use, including a new enterprise-wide customer relationship management system, and other asset additions to support internal growth. In 2005 and 2004 investing activities primarily consisted of investments in software development and property and equipment. Investing activities in 2004 also included adjustments to the acquisition of Eden Systems, Inc. ("Eden"). Pursuant to our purchase agreement, two of the shareholders of Eden were granted the right to "put" their remaining shares to Tyler and we were also granted the right to "call" the remaining shares. In 2004, we purchased the remaining 2,500 shares for $725,000 in cash.

We purchased $26.8 million of short-term investments during 2006. Proceeds from sales of short-term investments were $19.0 million during 2006. During 2006, the short-term investments earned interest income of $438,000 which was reinvested. We also earned interest income of $962,000 from money market investments and a restricted certificate of deposit.

Financing activities used cash of $6.0 million in 2006 compared to $14.8 million in 2005 and $9.9 million in 2004. Cash used in financing activities was primarily comprised of purchases of treasury shares, net of proceeds from stock option exercises and contributions from our employee stock purchase plan.

During 2006, we purchased approximately 1.0 million shares of our common stock for an aggregate cash purchase price of $10.5 million.

In 2006, we received $2.9 million from the exercise of options to purchase approximately 623,000 shares of our common stock under our employee stock option plan. During 2005 we issued 436,000 shares of common stock and received $1.8 million in aggregate proceeds, upon exercise of stock options and during 2004 we issued 680,000 shares of common stock and received $1.9 million in aggregate proceeds upon exercise of stock options.

In both 2006 and 2005, we received $1.0 million for contributions to the Tyler Technologies, Inc. Employee Stock Purchase Plan ("ESPP"). The ESPP was adopted by our shareholders in May 2004.

Subsequent to December 31, 2006 and through February 23, 2007 we purchased approximately 188,000 shares of our common stock for an aggregate cash purchase price of $2.6 million.

We maintain a $10.0 million Letter of Credit facility under which the bank will issue cash collateralized letters of credit. As of December 31, 2006 we had outstanding letters of credit totaling $5.0 million to secure surety bonds required by some of our customer contracts.

In the first quarter of 2007 we acquired two small companies and a building for a combined cash purchase price of $5.0 million. We have not finalized the allocation of the excess purchase price over the fair value of the net identifiable assets of the acquired companies but expect this allocation will result in non-cash charges that may have a small dilutive effect on earnings per share in 2007.

Excluding acquisitions, we anticipate that 2007 capital spending will be between $3.5 million and $4.0 million, the majority of which will be related to computer equipment and software for infrastructure expansions. We currently do not expect to capitalize significant amounts related to software development in 2007 but the actual amount and timing of those costs, and whether they are capitalized or expensed may result in additional capitalized software development. Capital spending in 2007 is expected to be funded from existing cash balances and cash flows from operations.

From time to time we engage in discussions with potential acquisition candidates. In order to pursue such opportunities, which could require significant commitments of capital, we may be required to incur debt or to issue additional potentially dilutive securities in the future. No assurance can be given as to our future acquisition opportunities and how such opportunities will be financed. In the absence of future acquisitions of other businesses, we believe our current cash balances and expected future cash flows from operations will be sufficient to meet our anticipated cash needs for working capital, capital

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Tyler Technologies, Inc.

We have audited the accompanying consolidated balance sheets of Tyler Technologies, Inc. and subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tyler Technologies, Inc. and subsidiaries at December 31, 2006 and 2005, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 in the Notes to the Consolidated Financial Statements, the Company changed its method of accounting for share-based compensation effective January 1, 2006.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Tyler Technologies, Inc.'s internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2007 expressed an unqualified opinion thereon.

Ernst + Young LLP

Dallas, Texas
February 20, 2007

MANAGEMENT'S ASSESSMENT OF EFFECTIVENESS OF THE COMPANY'S INTERNAL CONTROL OVER FINANCIAL REPORTING

Evaluation of Disclosure Controls and Procedures – Our chief executive officer and our chief financial officer have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e)) as of December 31, 2006. Based on such evaluation, our chief executive officer and chief financial officer have concluded that as of December 31, 2006 such disclosure controls and procedures were effective and designed to ensure that information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by us in such reports is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting – During the quarter ended December 31, 2006, there were no changes in our internal controls over financial reporting, as defined in Securities Exchange Act Rule 13a-15(f) and 15d-15(f), that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting – Tyler's management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Securities Exchange Act Rule 13a-15(f). Tyler's internal control over financial reporting is designed to provide reasonable assurance to Tyler's management and board of directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of Tyler's internal control over financial reporting as of December 31, 2006. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework. Based on our assessment, we believe that, as of December 31, 2006, Tyler's internal control over financial reporting is effective based on those criteria.

Management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2006 has been audited by Ernst & Young, LLP, the independent registered public accounting firm who also audited Tyler's consolidated financial statements. Ernst & Young's attestation report on management's assessment of Tyler's internal control over financial reporting appears on page 33 hereof.

CONSOLIDATED BALANCE SHEETS

DECEMBER 31 IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS	2006	2005
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 17,212**	$ 20,733
Restricted cash equivalents	**4,962**	–
Short-term investments available-for-sale	**19,543**	11,750
Restricted certificate of deposit	**–**	4,750
Accounts receivable (less allowance for losses of $2,971 in 2006 and $1,991 in 2005)	**58,188**	49,644
Prepaid expenses	**6,864**	5,158
Other current assets	**2,326**	2,201
Deferred income taxes	**2,579**	2,128
Total current assets	**111,674**	96,364
Accounts receivable, long-term portion	**1,675**	1,547
Property and equipment, net	**7,390**	5,759
Other assets:		
Goodwill	**66,127**	53,709
Customer related intangibles, net	**17,502**	17,696
Software, net	**14,554**	17,645
Trade name, net	**1,188**	1,262
Restricted certificate of deposit	**–**	250
Sundry	**166**	205
	$220,276	$194,437
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 5,063**	$ 3,330
Accrued liabilities	**17,735**	16,027
Deferred revenue	**62,387**	51,304
Income taxes payable	**–**	289
Total current liabilities	**85,185**	70,950
Deferred income taxes	**9,216**	11,290
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, $10.00 par value; 1,000,000 shares authorized, none issued	**–**	–
Common stock, $0.01 par value; 100,000,000 shares authorized; 48,147,969 shares issued in 2006 and 2005	**481**	481
Additional paid-in capital	**151,627**	151,515
Accumulated other comprehensive loss, net of tax	**(10)**	–
Retained earnings	**18,131**	3,769
Treasury stock, at cost; 9,255,783 and 9,273,342 shares in 2006 and 2005, respectively	**(44,354)**	(43,568)
Total shareholders' equity	**125,875**	112,197
	$220,276	$194,437

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31 IN THOUSANDS	2006	2005	2004
Cash flows from operating activities:			
Net income	**$14,362**	$ 8,193	$10,128
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation and amortization	**10,102**	10,443	11,386
Share-based compensation expense	**1,960**	–	–
Realized net losses on sales of investment securities	**–**	–	106
Purchased in-process research and development charge	**140**	–	–
Non-cash interest and other charges	**220**	(73)	88
Provision for losses – accounts receivable	**2,077**	1,641	796
Deferred income tax benefit	**(2,520)**	(2,200)	(300)
Changes in operating assets and liabilities, exclusive of effects of acquired companies:			
Accounts receivable	**(10,400)**	(7,031)	(3,760)
Income tax payable	**(78)**	(421)	1,063
Prepaid expenses and other current assets	**(1,496)**	(2,117)	(1,084)
Accounts payable	**1,626**	561	511
Accrued liabilities	**972**	2,428	(961)
Deferred revenue	**9,839**	9,763	4,186
Net cash provided by operating activities	**26,804**	21,187	22,159
Cash flows from investing activities:			
Purchases of short-term investments	**(26,825)**	(16,882)	(12,277)
Proceeds from sales of short-term investments	**19,016**	18,964	10,055
Cost of acquisitions, net of cash acquired	**(12,237)**	–	(946)
Decrease in restricted investments	**38**	2,500	–
Investment in software development costs	**(236)**	(1,002)	(4,575)
Additions to property and equipment	**(4,088)**	(1,734)	(2,267)
Other	**6**	(26)	96
Net cash (used by) provided by investing activities	**(24,326)**	1,820	(9,914)
Cash flows from financing activities:			
Purchase of treasury shares	**(10,531)**	(17,683)	(12,518)
Contributions from employee stock purchase plan	**1,002**	1,036	673
Proceeds from exercise of stock options	**2,916**	1,800	1,940
Excess tax benefits from share-based compensation expense	**614**	–	–
Payments on notes payable	**–**	–	(35)
Net cash used by financing activities	**(5,999)**	(14,847)	(9,940)
Net (decrease) increase in cash and cash equivalents	**(3,521)**	8,160	2,305
Cash and cash equivalents at beginning of year	**20,733**	12,573	10,268
Cash and cash equivalents at end of year	**$17,212**	$20,733	$12,573

See accompanying notes.

REVENUE RECOGNITION

We recognize revenue related to our software arrangements pursuant to the provisions of Statement of Position ("SOP") 97-2, "Software Revenue Recognition," as amended by SOP 98-4 and SOP 98-9, and related interpretations, as well as the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 104, "Revenue Recognition." We recognize revenue on our appraisal services contracts using the proportionate performance method of accounting, with considerations for the provisions of Emerging Issues Task Force ("EITF") No. 00-21, "Revenue Arrangements with Multiple Deliverables."

Software Arrangements:

We earn revenue from software licenses, post-contract customer support ("PCS" or "maintenance"), software related services and hardware. PCS includes telephone support, bug fixes, and rights to upgrades on a when-and-if available basis. We provide services that range from installation, training, and basic consulting to software modification and customization to meet specific customer needs. In software arrangements that include rights to multiple software products, specified upgrades, PCS, and/or other services, we allocate the total arrangement fee among each deliverable based on the relative fair value of each.

We typically enter into multiple element arrangements, which include software licenses, software services, PCS and occasionally hardware. The majority of our software arrangements are multiple element arrangements, but for those arrangements that involve significant production, modification or customization of the software, or where software services are otherwise considered essential to the functionality of the software in the customer's environment, we use contract accounting and apply the provisions of SOP 81-1 "Accounting for Performance of Construction – Type and Certain Production – Type Contracts."

If the arrangement does not require significant production, modification or customization or where the software services are not considered essential to the functionality of the software, revenue is recognized when all of the following conditions are met:

i. persuasive evidence of an arrangement exists;
ii. delivery has occurred;
iii. our fee is fixed or determinable; and
iv. collectibility is probable.

For multiple element arrangements, each element of the arrangement is analyzed and we allocate a portion of the total arrangement fee to the elements based on the fair value of the element using vendor-specific objective evidence of fair value ("VSOE"), regardless of any separate prices stated within the contract for each element. Fair value is considered the price a customer would be required to pay if the element was sold separately based on our historical experience of stand-alone sales of these elements to third parties. For PCS, we use renewal rates for continued support arrangements to determine fair value. For software services, we use the fair value we charge our customers when those services are sold separately. We monitor our transactions to insure we maintain and periodically revise VSOE to reflect fair value. In software arrangements in which we have the fair value of all undelivered elements but not of a delivered element, we apply the "residual method" as allowed under SOP 98-9 in accounting for any element of a multiple element arrangement involving software that remains undelivered such that any discount inherent in a contract is allocated to the delivered element. Under the residual method, if the fair value of all undelivered elements is determinable, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is allocated to the delivered element(s) and is recognized as revenue assuming the other revenue recognition criteria are met. In software arrangements in which we do not have VSOE for all undelivered elements, revenue is deferred until fair value is determined or all elements for which we do not have VSOE have been delivered. Alternatively, if sufficient VSOE does not exist and the only undelivered element is services that do not involve significant modification or customization of the software, the entire fee is recognized over the period during which the services are expected to be performed.

Postcontract Customer Support

Our customers generally enter into PCS agreements when they purchase our software licenses. Our PCS agreements are typically renewable annually. Revenue allocated to PCS is recognized on a straight-line basis over the period the PCS is provided. All significant costs and expenses associated with PCS are expensed as incurred. Fair value for the maintenance and support obligations for software licenses is based upon the specific sale renewals to customers.

Appraisal Services:

For our property appraisal projects, we recognize revenue using the proportionate performance method of revenue recognition since many of these projects are implemented over one to three year periods and consist of various unique activities. Under this method of revenue recognition, we identify each activity for the appraisal project, with a typical project generally calling for bonding, office set up, training, routing of map information, data entry, data collection, data verification, informal hearings, appeals and project management. Each activity or act is specifically identified and assigned an estimated cost. Costs which are considered to be associated with indirect activities, such as bonding costs and office set up, are expensed as incurred. These costs are typically billed as incurred and are recognized as revenue equal to cost. Direct contract fulfillment activities and related supervisory costs such as data collection, data entry and verification are expensed as incurred. The direct costs for these activities are determined and the total contract value is then allocated to each activity based on a consistent profit margin. Each activity is assigned a consistent unit of measure to determine progress towards completion and revenue is recognized for each activity based upon the percentage complete as applied to the estimated revenue for that activity. Progress for the fulfillment activities is typically based on labor hours or an output measure such as the number of parcel counts completed for that activity. Estimated losses on uncompleted contracts are recorded in the period in which we first determine that a loss is apparent.

Other:

The majority of deferred revenue consists of unearned support and maintenance revenue that has been billed based on contractual terms in the underlying arrangement with the remaining balance consisting of payments received in advance of revenue being earned under software licensing, software and appraisal services and hardware installation. Unbilled revenue is not billable at the balance sheet date but is recoverable over the remaining life of the contract through billings made in accordance with contractual agreements. The termination clauses in most of our contracts provide for the payment for the fair value of products delivered and services performed in the event of an early termination.

Prepaid expenses and other current assets include direct and incremental costs, consisting primarily of commissions associated with arrangements for which revenue recognition has been deferred and third party subcontractor payments. Such costs are expensed at the time the related revenue is recognized.

USE OF ESTIMATES

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the application of the percentage-of-completion and proportionate performance methods of revenue recognition, the carrying amount and estimated useful lives of intangible assets and valuation allowance for receivables. In addition we are primarily self-insured for employee health care and base our self-insurance liability on claims filed and an estimate of claims incurred but not yet reported. Actual results could differ from estimates.

If compensation expense for our stock-based awards to employees had been recognized using the fair value method of SFAS No. 123R rather than the intrinsic value method under APB No. 25, net income and earnings per share would have been reduced to the pro forma amounts below for 2005 and 2004.

YEARS ENDED DECEMBER 31,	2005	2004
Net income as reported	$ 8,193	$10,128
Add stock-based employee compensation cost included in net income, net of related tax benefit	–	–
Deduct total stock-based employee compensation expense determined under fair-value-based method for all awards, net of related tax benefit	(831)	(1,086)
Pro forma net income	$7,362	$ 9,042
Basic earnings per share:		
As reported	$ 0.21	$ 0.25
Pro forma	$ 0.19	$ 0.22
Diluted earnings per share:		
As reported	$ 0.19	$ 0.23
Pro forma	$ 0.17	$ 0.20

See Note 9 for further information on our share-based compensation plans.

SEGMENT AND RELATED INFORMATION

Although we have a number of operating divisions, separate segment data has not been presented as they meet the criteria for aggregation as permitted by SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information."

GOODWILL AND OTHER INTANGIBLE ASSETS

We have used the purchase method of accounting for all of our business combinations. Our business acquisitions result in the allocation of the purchase price to goodwill and other intangible assets. We first allocate the cost of acquired companies to identifiable assets based on estimated fair values. The excess of the purchase price over the fair value of identifiable assets acquired, net of liabilities assumed, is recorded as goodwill.

Under SFAS No. 142, "Goodwill and Other Intangible Assets," we evaluate goodwill for impairment annually as of April 1st, or more frequently if impairment indicators arise. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value. In the implementation of SFAS No. 142, we identified two reporting units for impairment testing. The appraisal services and appraisal software stand-alone business unit qualified as a reporting unit since it is one level below an operating segment, discrete financial information exists for the business unit and the executive management group directly reviews this business unit. The other software business units were aggregated into the other single reporting unit. The appraisal services and appraisal software stand-alone business unit is organized in such a manner that both of its revenue sources are tightly integrated with each other and discrete financial information at the operating profit level does not exist for this business unit's respective revenue sources.

IMPAIRMENT OF LONG-LIVED ASSETS

We periodically evaluate whether current facts or circumstances indicate that the carrying value of our property and equipment or other long-lived assets to be held and used may not be recoverable. If such circumstances are determined to exist, we measure the recoverability of assets to be held and used by a comparison of the carrying amount of the asset or appropriate grouping of assets and the estimated undiscounted future cash flows expected to be generated by the assets. If the carrying amount of the assets exceeds their estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of would be history. In addition, certain of our property appraisal outsourcing contracts are required by law to have an amount withheld from a progress billing (generally a 10% retention) until final and satisfactory project completion is achieved, typically upon the completion of fieldwork or formal hearings.

In connection with this activity, we have recorded unbilled receivables of $10.1 million and $8.6 million at December 31, 2006 and 2005, respectively, with billing primarily dependent on fixed payment schedules based on specific calendar dates. We also have recorded retention receivable of $3.8 million and $1.7 million at December 31, 2006 and 2005, respectively, and these retentions become payable upon the completion of the contract or completion of our field work and formal hearings. Unbilled receivables and retention receivables expected to be collected in excess of one year have been classified as non-current receivables in the accompanying consolidated balance sheets.

INDEMNIFICATION

Most of our software license agreements indemnify our customers in the event that the software sold infringes upon the intellectual property rights of a third party. These agreements typically provide that in such event we will either modify or replace the software so that it becomes non-infringing or procure for the customer the right to use the software. We have recorded no liability associated with these indemnifications, as we are not aware of any pending or threatened infringement actions that are possible losses. We believe the estimated fair value of these intellectual property indemnification clauses is minimal.

We have also agreed to indemnify our officers and board members if they are named or threatened to be named as a party to any proceeding by reason of the fact that they acted in such capacity. A form of the indemnification agreement was filed as Exhibit 10.1 to our Form 10-K for the year ended December 31, 2002. We maintain directors' and officers' insurance coverage to protect against any such losses. We have recorded no liability associated with these indemnifications. Because of our insurance coverage, we believe the estimated fair value of these indemnification agreements is minimal.

NEW ACCOUNTING PRONOUNCEMENTS

In July 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109" ("FIN 48"), which clarifies the accounting and disclosure for uncertainty in tax positions, as defined. FIN 48 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. This interpretation is effective for fiscal years beginning after December 15, 2006. We do not expect the interpretation will have a material impact on our results from operations or financial position.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expands disclosures about fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, with earlier application encouraged. Any amounts recognized upon adoption as a cumulative effect adjustment will be recorded to the opening balance of retained earnings in the year of adoption. We have not yet determined the impact of SFAS No. 157 on our financial condition and results of operations.

(2) ACQUISITIONS

In January 2006, we completed the acquisitions of all of the capital stock of MazikUSA, Inc. ("Mazik") and TACS, Inc. ("TACS"). The total value of these transactions, including transaction costs, was approximately $14.6 million, which was comprised of $11.7 million in cash and 325,000 shares of Tyler common stock valued at $2.9 million.

- Mazik provides an integrated software solution for schools that combines the functionalities of student performance monitoring, student tracking, financial accounting, human resources and reporting.

(5) GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets and related accumulated amortization consists of the following at December 31:

	2006	2005
Gross carrying amount of acquisition intangibles:		
Goodwill	**$ 66,127**	$ 53,709
Customer related intangibles	**25,291**	24,278
Software acquired	**19,113**	16,023
Trade name	**1,681**	1,643
	112,212	95,653
Accumulated amortization	**(23,449)**	(20,771)
Acquisition intangibles, net	**$ 88,763**	$ 74,882
Post acquisition software development costs	**$ 36,715**	$ 36,478
Accumulated amortization	**(26,107)**	(21,048)
Post acquisition software costs, net	**$ 10,608**	$ 15,430

Total amortization expense for acquisition related intangibles and post acquisition software development costs was $7.7 million during 2006, $8.0 million during 2005, and $8.8 million during 2004.

The allocation of acquisition intangible assets is summarized in the following table:

	DECEMBER 31, 2006			DECEMBER 31, 2005		
	GROSS CARRYING AMOUNT	WEIGHTED AVERAGE AMORTIZATION PERIOD	ACCUMULATED AMORTIZATION	GROSS CARRYING AMOUNT	WEIGHTED AVERAGE AMORTIZATION PERIOD	ACCUMULATED AMORTIZATION
Non-amortizable intangibles:						
Goodwill	**$ 66,127**	**–**	**$ –**	$ 53,709	–	$ –
Amortizable intangibles:						
Customer related intangibles	**25,291**	**21 years**	**7,789**	24,278	22 years	6,582
Software acquired	**19,113**	**5 years**	**15,167**	16,023	5 years	13,808
Trade name	**1,681**	**21 years**	**493**	1,643	21 years	381

The changes in the carrying amount of goodwill for the two years ended December 31, 2006 are as follows:

Balance as of December 31, 2004 and December 31, 2005	$ 53,709
Goodwill acquired during the year related to the purchase of MazikUSA, Inc.	10,198
Goodwill acquired during the year related to the purchase of TACS, Inc.	2,220
Balance as of December 31, 2006	**$ 66,127**

The tax effects of the major items recorded as deferred tax assets and liabilities as of December 31 are:

	2006	2005
Deferred income tax assets:		
Operating expenses not currently deductible	**$ 1,801**	$ 1,530
Employee benefit plans	**1,224**	819
Property and equipment	**49**	–
Total deferred income tax assets	**3,074**	2,349
Deferred income tax liabilities:		
Property and equipment	**–**	(94)
Intangible assets	**(9,535)**	(11,202)
Other	**(176)**	(215)
Total deferred income tax liabilities	**(9,711)**	(11,511)
Net deferred income tax liabilities	**$(6,637)**	$ (9,162)

Although realization is not assured, we believe it is more likely than not that all the deferred tax assets at December 31, 2006 and 2005 will be realized. Accordingly, we believe no valuation allowance is required for the deferred tax assets. However, the amount of the deferred tax asset considered realizable could be adjusted in the future if estimates of reversing taxable temporary differences are revised.

We paid income taxes, net of refunds received, of $10.4 million in 2006, $8.1 million in 2005, and $6.5 million in 2004.

(8) SHAREHOLDERS' EQUITY

The following table details activity in our common stock:

	2006		2005		2004	
YEARS ENDED DECEMBER 31,	**SHARES**	**AMOUNT**	**SHARES**	**AMOUNT**	**SHARES**	**AMOUNT**
Purchases of common stock	**(1,033)**	**$(10,531)**	(2,457)	$(17,683)	(1,459)	$(12,518)
Stock option exercises	**623**	**2,916**	436	1,800	680	1,940
Employee stock plan purchases	**102**	**940**	171	1,156	44	329
Shares issued for acquisitions	**325**	**2,891**	–	–	–	–

Subsequent to December 31, 2006 and through February 23, 2007, we repurchased 188,000 shares for an aggregate purchase price of $2.6 million. As of February 23, 2007 we had authorization from our board of directors to repurchase up to 843,000 additional shares of our common stock.

As of December 31, 2006, we had warrants outstanding to purchase 1.6 million shares of common stock at $2.50 per share. These warrants expire in September 2007.

The following weighted average assumptions were used for options granted:

YEARS ENDED DECEMBER 31,	2006	2005	2004
Expected life (in years)	**6**	5	5
Expected volatility	**45.0%**	48.4%	79.1%
Risk-free interest rate	**4.9%**	4.1%	3.7%
Expected forfeiture rate	**3%**	0%	0%

Share-Based Compensation Under SFAS No. 123R

The following table summarizes share-based compensation expense related to share-based awards under SFAS No. 123R which is recorded in the statement of operations for year ending December 31, 2006:

Cost of software services and maintenance	**$ 147**
Selling, general and administrative expense	**1,813**
Total share-based compensation expense	**1,960**
Tax benefit	**(336)**
Net decrease in net income	**$ 1,624**

Share-based compensation expense recorded in the statement of operations for 2005 and 2004 was zero.

At December 31, 2006 we had unvested options to purchase 1.4 million shares with a weighted average grant date fair value of $4.08. As of December 31, 2006, we had $4.6 million of total unrecognized compensation cost related to unvested options, net of expected forfeitures, which is expected to be amortized over a weighted average amortization period of 2.2 years.

Stock Option Activity

Options granted, exercised, forfeited and expired are summarized as follows:

	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	AGGREGATE INTRINSIC VALUE
Options outstanding at December 31, 2003	4,630	$ 3.94		
Granted	62	9.18		
Exercised	(680)	2.85		
Forfeited	(48)	3.18		
Options outstanding at December 31, 2004	3,964	4.21		
Granted	1,135	7.49		
Exercised	(436)	4.12		
Forfeited	(55)	7.49		
Options outstanding at December 31, 2005	4,608	4.99		
Granted	**237**	**10.76**		
Exercised	**(623)**	**4.68**		
Forfeited	**(127)**	**6.42**		
Expired	**(8)**	**5.21**		
Options outstanding at December 31, 2006	**4,087**	**5.32**	**6**	**$35,703**
Options exercisable at December 31, 2006	**2,727**	**$4.25**	**5**	**$26,760**

Future minimum lease payments under all noncancelable leases at December 31, 2006 are as follows:

YEARS ENDING DECEMBER 31,	
2007	$ 4,591
2008	4,365
2009	4,124
2010	2,843
2011	2,077
Thereafter	1,465
	$19,465

Included in future minimum lease payments are noncancelable payments due to related parties of $1.7 million each in 2007, 2008 and 2009; $552,000 in 2010 and none thereafter.

(12) EMPLOYEE BENEFIT PLANS

We provide a defined contribution plan for the majority of our employees meeting minimum service requirements. The employees can contribute up to 30% of their current compensation to the plan subject to certain statutory limitations. We contribute up to a maximum of 2.5% of an employee's compensation to the plan. We made contributions to the plan and charged operations $1.6 million during 2006, $1.0 million during 2005, and $801,000 during 2004.

(13) COMMITMENTS AND CONTINGENCIES

Other than ordinary course, routine litigation incidental to our business and except as described in this Annual Report, there are no material legal proceedings pending to which we are party or to which any of our properties are subject.

(14) SUBSEQUENT EVENTS

In the first quarter of 2007 we acquired two small companies and a building for a combined cash purchase price of $5.0 million. We have not finalized the allocation of the excess purchase price over the fair value of the net identifiable assets of the acquired companies but expect this allocation will result in non-cash charges that may have a small dilutive effect on earnings per share in 2007.

CORPORATE OFFICERS

John M. Yeaman
Chairman of the Board

John S. Marr, Jr.
President and Chief Executive Officer

Dustin R. Womble
Executive Vice President

Brian K. Miller
Senior Vice President
Chief Financial Officer and Treasurer

H. Lynn Moore, Jr.
Vice President
General Counsel and Secretary

Rick L. Hoff
Chief Technology Officer

W. Michael Smith
Vice President
Chief Accounting Officer

Terri L. Alford
Controller

BOARD OF DIRECTORS

John M. Yeaman [1]
Chairman of the Board
Tyler Technologies, Inc.

John S. Marr, Jr. [1]
President and Chief Executive Officer
Tyler Technologies, Inc.

Donald R. Brattain [2,3]
President
Brattain and Associates, LLC

J. Luther King, Jr. [2,4]
Chief Executive Officer
Luther King Capital Management

G. Stuart Reeves [2,3,4]
Retired Executive Vice President
Electronic Data Systems Corporation

Michael D. Richards [3,4]
Chairman and Chief Executive Officer
Reunion Title Company

Dustin R. Womble [1]
Executive Vice President
Tyler Technologies, Inc.

1 Executive Committee
2 Audit Committee
3 Nominating and Governance Committee
4 Compensation Committee

CORPORATE HEADQUARTERS

5949 Sherry Lane
Suite 1400
Dallas, Texas 75225
972.713.3700
www.tylertech.com

TRANSFER AGENT AND REGISTRAR

American Stock Transfer & Trust Company
59 Maiden Lane
Plaza Level
New York, New York 10038
800.937.5449 tel
718.236.2641 fax
www.amstock.com

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
Dallas, Texas

ANNUAL MEETING OF STOCKHOLDERS

Our Annual Meeting will be held on Thursday, May 17, 2007, at 9:00 a.m. Central time at: The Park City Club, 5956 Sherry Lane, Suite 1700, Dallas, Texas 75225.

CERTIFICATIONS

We submitted an unqualified Annual CEO Certification to the New York Stock Exchange (NYSE) as required by the NYSE Listed Company rules. We also filed with the Securities and Exchange Commission the Chief Executive Officer and Chief Financial Officer certifications required under Section 302 of the Sarbanes-Oxley Act as exhibits to our Annual Report on Form 10-K.

INVESTOR INFORMATION

Our Annual Report on Form 10-K is available on the Company's Web site at www.tylertech.com. A copy of the Form 10-K or other information may also be obtained by contacting the Investor Relations Department at corporate headquarters.

INVESTOR RELATIONS

Tyler Technologies, Inc.
972.713.3714
info@tylertech.com

COMMON STOCK

Listed on the New York Stock Exchange under the symbol "TYL"

TYL
LISTED
NYSE

Detailed Proposal

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JOHNSON COUNTY, INDIANA SUPPORT SERVICES CONTRACT

This contract is entered into this 10 day of September, 2007, by and between the County Commissioners on behalf of the County Assessor of Johnson County, Indiana, hereinafter referred to as the "County," and Tyler Technologies Inc. | CLT Division, company formed under the laws of the State of Delaware and qualified to do business in the State of Indiana, hereinafter referred to as the "Professional Appraiser." The Professional Appraiser shall perform the Commercial/Industrial/Residential Support Services in accordance with the contract documents that consist of this Agreement and Scope of Services.

RECITALS

A. The County has determined that they should employ the Professional Appraiser as a technical advisor for support services purposes according to the provisions of IC 6-1.1-4-17;

B. The County wishes to contract with the Professional Appraiser and the Professional Appraiser is willing to be contracted by the County;

C. The Professional Appraiser is a Professional Appraiser as that term is defined in IC 6-1.1-4-17(c) and IC 6-1.1-31.7;

D. This Contract is subject to the provisions of 50 IAC 15, and Professional Appraiser will comply with the provisions of 50 IAC 15 in connection with this Contract; and

E. The County has by majority vote, taken in accordance with the procedures recommended by the Department of Local Government and Finance, here and after referred to as the "DLGF," for then application of IC 6-1.1-4-17, determined to enter this Contract.

AGREEMENT

In consideration of the premises, mutual covenants and obligations of the parties, the County and Professional Appraiser agree as follows:

ARTICLE 1. Incorporation of Recitals

1.1 The foregoing recitals are adopted by the parties as being true and accurate statements, and are hereby incorporated as binding representations of this Agreement.

ARTICLE 2. Duties of Professional Appraiser

2.01 The Professional Appraiser shall provide support services to the County, as requested and assigned by the authorized designate of the County, under the terms and provisions of this Contract, as outlined in the Scope of Services, in accordance with and furtherance of all rules governing the assessment of real property promulgated by the DLGF, and all other applicable laws, statutes, ordinances, or administrative rules.

ARTICLE 3. Consideration

The County shall pay the Professional Appraiser as follows:

3.01 For the year 2007 a fee of NINTY-EIGHT THOUSAND EIGHT HUNDRED DOLLARS ($98,800) in full payment for the complete performance of all duties, responsibilities and activities identified in the attached Scope of Services.

3.02 A fee of SEVENTY FIVE DOLLARS ($75.00) per hour (including travel time) up to a maximum of SIX HUNDRED DOLLARS ($600.00) per day per person for any additional services desired by the County not listed in the contract or contained within the contract. Any unlisted work must be pre-approved by the County.

3.03 Hearing days are not included into the base fee. Any hearing days will be considered additional work, reference Article 3.02, page 2 and Article 22.01, page 8, for additional compensation for services.

ARTICLE 4: Term of Contract

4.01 The County shall first notify the Professional Appraiser of properties and parcels the Professional Appraiser is to review within fifteen (15) days of the contract signing date.

4.02 The Professional Appraiser shall commence work under this Contract within twenty (15) days of the date of execution of this Contract.

4.03 The Professional Appraiser shall complete all work to be performed under this Contract, other than assistance required in regard to an appeal filed under IC 6-1.1-4-19.5, on or before March 1, 2008. The Professional Appraiser shall complete the 2007 trending on or before December 31, 2007.

ARTICLE 5: Professional Appraiser Certification; Contract Void on Revocation

5.01 The Professional Appraiser must be certified as a "Professional Appraiser" under IC 6-1.1-31.7 in order to enter into this Contract. The Professional Appraiser represents and warrants that they: are certified as a "Professional Appraiser" under IC 6-1.1-31.7 at the time of entering into this Contract; and will take all steps necessary to remain certified as a "Professional Appraiser" under IC 6-1.1-31.7 through the term of this Contract.

5.02 In accordance with IC 6-1.1-31.7-4, this Contract is void and the Professional Appraiser may not receive additional funds under this Contract, if the Professional Appraiser's certification as a "Professional Appraiser" under IC 6-1.1-31.7 is revoked.

ARTICLE 6: Contract Representative

6.01 The County shall designate a Contract Representative to serve as the primary contact person for each township and notify the Professional Appraiser of the designation.

ARTICLE 7: Work Plan

7.01 The Professional Appraiser shall deliver to the Contract Representative a work plan that shows a schedule for the completion of work under the contract. The work plan is subject to approval by the County. The Professional Appraiser and the County agree to work towards a final work plan within ten (10) days of the Contract signing. Upon approval of a work plan, it shall become Exhibit A and become a part of this Contract by this reference.

ARTICLE 8: Contract Reports and Monitoring

8.01 The Professional Appraiser shall be required to provide written progress reports to the County in a form reasonably prescribed by the County. The reports must include the number of parcels being reviewed by the Professional Appraiser and the status of the work being done. The County may require additional information be included in the reports. The Professional Appraiser shall submit the reports to the Contract Representative each month on or before the 10th day of the month. The County may at all times inspect the records of the Professional Appraiser to verify the progress and evaluate the quality of work performed. The County may accompany the Professional Appraiser's personnel in their assigned duties to assure the Professional Appraiser's adherence with contractual specifications and approved procedures. The Professional Appraiser shall extend its full cooperation to the Contract Representative by providing access to all program related records, and by making personnel available upon request for the purpose of monitoring quality, performance and progress.

8.02 The Professional Appraiser will provide to the legislative services agency and the DLGF unrestricted access to the Professional Appraisers work product under the contract. The Professional Appraiser will abide by this provision as long as the County Assessor has been informed of the request.

ARTICLE 9: Time and Manner of Payment

The Professional Appraiser shall be paid as follows:

9.01 Within the first twenty (20) days of each month, the Professional Appraiser will submit a claim for payment for work done under the Contract during that preceding month. The amount of each monthly payment is subject to approval by the Contract Representative and review by the County. Approval shall be based on the progress reports submitted by the Professional Appraiser and on the Contract Representative's inspection of the Professional Appraiser's assessment records. The Contract Representative and the Professional Appraiser will agree upon an invoicing format that both parties are satisfied with prior to any payments being made by the County. Payment will be made to the Professional Appraiser on the first Monday of the next month if filed by the 12th day of the preceding month, after approval by the Contract Representative and the County.

9.02 If all work is not completed under this Contract by the completion date specified in section 4.03 of this Contract, then all further payments will be suspended at that time until all work has been completed. Upon certification by the Contract Representative and the County that work has been completed, payment of the suspended amount will be made to the Professional Appraiser within thirty (30) days after that certification.

ARTICLE 10: Penalties

10.01 Payments due under this Contract shall be reduced by the amount of ONE HUNDRED DOLLARS ($100.00) per business day, for each business day that reviews by the Professional Appraiser, excluding Saturdays, Sundays, and holidays remains incomplete after the due date specified under this Contract.

ARTICLE 11: Responsibilities

11.01 The final determination of assessed value and true tax value is and shall remain the responsibility of the County.

ARTICLE 12: Non-Discrimination

12.01 Pursuant to IC 22-9-1-10, the Professional Appraiser and its subcontractors, if any, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Contract, with respect to the individual's hire, tenure, terms, conditions, or privileges of employment, because of the individual's race, color, religion, sex, handicap, national origin or ancestry. Breach of this covenant may be regarded as a material breach of contract.

ARTICLE 13: General Provisions

13.01 This Contract sets forth the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior oral and written agreements and understanding between the County and the Professional Appraiser. No representation, promise, inducement, or statement of intention has been made by either party which is not set forth in this Contract and neither party shall be bound by or liable for any alleged representation, promise, inducement or statement of intention not so set forth.

13.02 No waiver, alteration, modification, or cancellation of any of the provisions of this Contract shall be binding unless made in writing and signed by all those signing this Contract, or their successors in office. The failure of either party at any time or times to require performance of any provisions of this agreement shall not be considered a waiver and will in no manner affect the right at a later time to enforce that provision.

13.03 In the event that one or more of the provisions contained in this Contract shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions contained in this Contract. If any provisions contained in this Contract shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it then shall appear.

13.04 This Contract shall be subject to and interpreted in accordance with the law of the State of Indiana and suit, if any, shall be brought in Indiana courts.

13.05 This Contract shall be binding upon and inure to the benefit of the parties and their respective successors, assigns and legal representatives, provided, however, that this Contract is not binding upon a successor to the elected office of an undersigned Assessor without the successor's prior written consent, nor can the rights, duties, and privileges of the Professional Appraiser under this contract be transferred, sublicensed or assigned by it, either in whole or in part, without the prior written consent of the County.

ARTICLE 14: Delays

14.01 Whenever the Professional Appraiser or the County have knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, they shall within ten (10) days provide written notice of the delay to the other party by certified mail, return receipt requested, including all relevant information with respect to the actual or potential cause of the delay.

ARTICLE 15: Termination

15.01 In the event of termination or suspension, the Company shall be entitled to receive payment in full (at the amounts and rates set forth herein, or if not specifically set forth in this Agreement, at the Company's standard or published rates) for all services, software, licenses and/or bonding delivered by the Company up to the effective date of the termination or suspension, as the case may be, plus such other charges as may be agreed upon by the parties.

ARTICLE 16: Independent Contractor

16.01 In the performance of this Contract, the Professional Appraiser will be acting in an individual capacity and not as an agent, employee, partner, joint venture, or associate of the County. The employees or agents of the Professional Appraiser shall not be deemed or construed to be the employees or agents of the County for any purpose whatsoever.

ARTICLE 17: Liability

17.01 Except as provided elsewhere, the Professional Appraiser agrees to defend and save harmless the County and their townships and county, and all agents, officers and employees of those townships and that county, against all claims, demands, payments, suits, actions, recovery, and judgments of every kind and description arising out of the performance of this Agreement, for personal injury or property damage brought or recovered against it by reason of any negligent action or omission of the Professional Appraiser, its agents, or employees and with respect to the degree to which the County are free from negligence on the part of itself, it employees and agents.

17.02 The County agrees to defend and indemnify and save harmless the Professional Appraiser, its officers, agents and employees against all claims, demands, payments, suits, actions, recovery and judgments of every kind and description arising out of any valuation disputes, or challenges to the methodology employed under this Agreement brought or recovered against it, whether based in contract, negligence or otherwise.

17.03 Neither party shall be liable to the other for consequential, indirect or incidental damages, including, but not limited to, loss of tax revenue or claims related to valuation of property, even if due to the negligence or other fault of the party released.

17.04 In any event, the Professional Appraiser's liability for damages (except for damage to real or personal property or personal injury as provided above) under any theory of liability or form of action including negligence shall not exceed the total amount paid by the County to the Professional Appraiser under this Agreement.

17.05 The Professional Appraiser shall carry Public Liability Insurance in the amount of $1,000,000 including protection for bodily injury and property damage with a combined single limit of $1,000,000 and $500,000 for each occurrence only to the extent of the obligation assumed by the Professional Appraiser under this Agreement.

17.06 The Professional Appraiser shall also maintain Automobile Liability Insurance providing limits of $1,000,000 per occurrence, and the Professional Appraiser shall provide Worker's Compensation Insurance. The Worker's Compensation Insurance shall provide coverage under the Compensation Act of Indiana and shall provide employer's liability insurance in the amount of $100,000.

17.07 At the request of the County, Certificates of Insurance shall be supplied to the County by the Professional Appraiser detailing the above coverage's prior to the commencement of the work. This certificate will be issued by a carrier authorized to do business within the State of Indiana.

ARTICLE 18: Subcontracting

18.01 The Professional Appraiser must obtain the approval of the Contract Representative before subcontracting all or any portion of this Contract. This limitation shall not apply to the purchase of standard commercial supplies or raw materials.

18.02 If subcontractors are used, the Professional Appraiser is responsible for Contract performance, compliance with terms and conditions of the Contract, and the requirements of federal and state equal opportunity and affirmative action statutes, rules and regulations.

ARTICLE 19: Force Majeure

19.01 Neither party shall be liable for delays or performance failures resulting from and caused by acts beyond the party's control. Such acts shall include acts of God, acts of war, epidemics, communication line failures, power failures, earthquakes, and other similar disasters. In every case the delays must be beyond the control and without the fault or negligence of the nonperforming party.

19.02 If either party is prevented or delayed in the performance of its obligations hereunder by Force Majeure, that party shall immediately notify the other party in writing of the reason for the delay or failure to perform, describing in as much detail as possible the event of Force Majeure causing the delay or failure and discussing the likely duration of the Force Majeure and any known prospects for overcoming or ameliorating it. Both parties agree to take any commercially reasonable measures to overcome or ameliorate the Force Majeure and its adverse effects on this Agreement, and to resume performance as completely as is reasonably possible once the Force Majeure is overcome or ameliorated.

ARTICLE 20: Maintaining a Drug-Free Workplace

20.01 The Professional Appraiser hereby covenants and agrees to make a good faith effort to provide and maintain during the term of this Contract a drug-free workplace, and that it will give written notice to the County within ten (10) days after receiving actual notice that an employee of the Professional Appraiser has been convicted of a criminal drug violation occurring in Professional Appraiser's workplace.

ARTICLE 21: Non-Solicitation

21.01 During the Period of Agreement and for a period of six months following the project completion date, the County will not solicit for employment or hire any company employee without the express written consent of the Professional Appraiser.

ARTICLE 22: Additional Compensation

22.01 The contract may contain provisions for additional work not included in the original contract, and may also provide that the contract may be amended by addendum without re-bidding to permit the County Assessor to contract for other assessment related activates for assessment years 2007, 2008 and subsequent years until the next general reassessment year. Any additional services must be pre-approved by the County.

ARTICLE 23: Professional Appraiser Right to Stop Work for Non-Payment

23.01 Payment of billings is due within thirty (30) days after the date of each billing. Failure of the County to make payment when due shall entitle the Professional Appraiser, in addition to its other rights and remedies, to suspend, temporarily, further performance of this Agreement without liability.

ARTICLE 24: Compliance with Indiana Code § 6-1.1-4-19.5(6)

24.01 The Professional Appraiser shall provide complete updated parcel characteristics and assessment data in a manner and form that meets the data export and transmission requirements of the legislative services agency and the department of local government finance. *The County's CAMA System has to be compatible in producing these specific reports.*

ARTICLE 25: Compliance with Indiana Code § 6-1.1-4-19.5(7)

25.01 A provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract. *The CLT Division will abide by this as long as the County Assessor has been informed of the request.*

ARTICLE 26: Compliance with Indiana Code § 6-1.1-4-18.5(a) (2)

26.01 Adequately provide for the creation and transmission of real property assessment data in the form required by the legislative services agency and the division of data analysis of the department. *The CLT Division can follow this format as long as the County's CAMA system is compatible to producing these specific reports requested.*

ARTICLE 27: Compliance with Indiana Code § 6-1.1-4-19.5(1)

27.01 A fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract. *The completion date of this contract shall be December 31, 2007.*

ARTICLE 28: Confidential Nature of Data

28.01 The Professional Appraiser shall assure that no individual assigned to the project will disclose any confidential information to any individual, firm, or corporation other than public officials and their authorized agents without the written permission of the County Assessor.

ARTICLE 29: Legislative, Court and/or DLGF Changes

29.01 In the event of major legislative, court and/or DLGF changes to trending requirements after awarding of the contract, the terms of the contract maybe revised by mutual consent of both parties, and if consent is not reached, the Professional Appraiser or County may immediately terminate the contract by written notice to the other party and the Professional Appraiser is only entitled to payment for services actually performed prior to termination.

IN WITNESS WHEREOF, the parties have executed this contract by their duly authorized officers this 10 day of September, 2007.

Johnson County Representatives:

By: ______________________,
Commissioner Michael Ripley, CHRM

By: ______________________,
Commissioner TROY DEHART

By: ______________________,
Commissioner TOM KITE

By: ______________________,
Johnson County Assessor MARLA HASH

APPROVED:
Johnson County Attorney:

By: ______________________,
JEFFREY C. EGGERS, # 8080-41

PROFESSIONAL APPRAISER:
Tyler Technologies, Inc. | CLT Division

By: ______________________
Troy D. Fryman, Sales Executive

WITNESSED:

____

SCOPE OF SERVICES

1. OBJECTIVE/PROGRAM DEFINITION

The Professional Appraiser understands the objective of this project is that the Professional Appraiser will complete the gathering of sufficient facts, information, and data, coupled with the proper analysis, in order to aid in the determination of the assessed value of each parcel of residential, agricultural, commercial, and industrial real property. It is the Professional Appraiser's policy to maintain an internal quality control procedure that ensures uniformity and enhance client satisfaction.

2. CLASSIFICATION OF PROPERTY

The Professional Appraiser understands the responsibility of identifying each parcel of real property in accordance with property class codes as established by the DLGF.

3. QUALITY CONTROL

The Professional Appraiser will include, as part of the project work plan, a procedure for quality control and inspection. It is the Professional Appraiser's policy to maintain an internal quality control procedure that ensures uniformity and enhances client satisfaction.

4. TRAINING

The Professional Appraiser will utilize various forms of training to ensure that project personnel are qualified and competent to perform the Support Services duties within this project. Classroom lecture, peer review and in-field training will be included on the curriculum for new project hires. A thorough lecture session will be included for experienced project employees to educate them to the local county procedures.

5. PROFESSIONAL APPRAISER'S RESPONSIBILITIES

The Professional Appraiser is fully aware of all laws regarding the assessment of real property in the State of Indiana. It is our intent to fully comply with these laws and provide a comprehensive support services to the County.

The Professional Appraiser understands the confidential nature of appraisal data.

All direct assessment activities must be performed by a level II assessor-appraiser certified under IC 6-1.1-31.7. All work performed under this Contract must be either organized, supervised, or reviewed by a level II assessor-appraiser certified under IC 6-1.1-31.7. Additionally, a level II assessor-appraiser certified under IC 6-1.1-31.7 must personally fulfill the following duties: (1) Final value recommendations, (2) Subjective parcel and neighborhood ratings review to include grade, effective year, and condition; (3) Statistical analysis for neighborhood factoring; (4) Statistical analysis for land order modification; (5) Statistical analysis on obsolescence applied to commercial and industrial properties.

Administrative personnel employed by the Professional Appraiser may be used to fulfill the following duties: (1) General data review, (2) General quality control, and (3) General office duties.

The Professional Appraiser shall collect and compile income and expense information for the 2007 trending and apply to the assessments, as appropriate. This would include the following property types: apartments and other rental housing.

The Professional Appraiser shall be responsible for reviewing land values established by the Land Order for each improved parcel of property. The Professional Appraiser shall use the land valuation neighborhood maps, and all land valuation support documentation to review the parcels land value. The Professional Appraiser shall review land values for all property classes, except for agricultural farmland; at a minimum, analyze vacant and improved sales for applicable years. In the event that insufficient sales exist, the Professional Appraiser shall expand the time period and make appropriate time adjustments, provide trending land values, and supporting documentation for residential, agricultural, commercial, industrial, and all other non-exempt property classes.

The Professional Appraiser shall stratify and delineate residential and agricultural neighborhoods by location and physical characteristics, including but not limited to age, grade, condition, square feet, and lot size. The Professional Appraiser shall establish new neighborhood delineations for rental homes, condominiums, agricultural improvements, new construction, water front, and water view properties. The Professional Appraiser shall site visit residential property as needed to provide improved equity and uniformity in assessments.

The Professional Appraiser shall set new neighborhood factors upon review of the stratification of the residential and agricultural neighborhoods. The Professional Appraiser shall apply changes to the County CAMA system upon request by the County. The Professional Appraiser shall provide all supporting documentation in an electronic format for each neighborhood. Depreciation shall be set from the County's computer system.

The Professional Appraiser shall trend all commercial and industrial improvements per the DLGF annual trending rule.

The Professional Appraiser shall conduct a sales ratio study for all classes of properties, including, but not limited to, residential, agricultural, commercial, industrial, and utility property which shows, and shall comply with results that meet DLGF standards. The Professional Appraiser shall assist the County in preparing for submission an electronic data copy of the study in the proper format as prescribed by the DLGF and Legislative Services Agency.

The Professional Appraiser will adequately provide for the creation and transmission of real property assessment data in the form required by the legislative services agency and the division of data analysis of the department. The Professional Appraiser can follow this format as long as the County's CAMA system is compatible to producing these specific reports requested.

All data collection will be conducted between the hours of 8:00 A.M. to 7:00 P.M. on any day, Monday through Saturday, excluding legal holidays.

For additional Professional Appraiser Responsibilities, please refer to Article 2, 2.01 on page 2 of the Articles of Agreement entitled "Duties of Professional Appraiser."

Long distance phone charges, training manuals, and general office supplies shall be supplied by the Professional Appraiser. Any additional expenses and liabilities resulting there from shall be incurred by the Professional Appraiser without any obligation to the County.

6. COUNTY RESPONSIBILITIES

The County will be responsible for the following duties: (1) Photocopying or printing existing property record cards to be used for the support services by the Professional Appraiser, (2) Copying current tax plat maps for use by the Professional Appraiser for the support services; and (3) Providing an adequate amount of office space including phone lines, computer access, copying machine access, tables, chairs, and filing cabinets, to perform all duties necessary during the support services process.

The County will be responsible for printing of Form 11's and new PRC's.

The County is responsible for all data collection of new construction.

The County is responsible for all data entry changes on the reviewed properties.

The County shall furnish a list of all sales disclosures parcels in township order.

The County shall be responsible for the postage and mailing of the income and expense statement if needed.

7. REPORTS

The Professional Appraiser understands the need and importance of planning. If awarded this project, the Professional Appraiser will provide a comprehensive work plan. It is the experience of the Professional Appraiser that the work plan should be a working document that measures performance and procedure. It is also the experience of the Professional Appraiser that the work plan should be dynamic and modifiable by agreement of both parties if situations relating to laws, time-frames, inclement weather, etc. change during the course of the contract. The Professional Appraiser will hold a monthly meeting with the County to inform them of the project process along with any other contract news. The work plan will detail the billing process, completion schedule, and quality control plan. The work plan will also detail training requirements for appraisal personnel and County personnel if applicable.

8. PUBLIC RELATIONS

Public relations are an understood part of any quality support services. The Professional Appraiser is prepared to provide the County Contract Representative with news releases notifying property owners of the areas in which work is being performed, general subjects about the support services, objectives, and methods used in the reassessment program. In addition to reports, the quality of work performance and adherence with contractual specifications and approved procedures will be evaluated by the Contract Representative. The Professional Appraiser shall provide access to all records requested for the purpose of program monitoring.

9. CERTIFIED SUPERVISOR

Please refer to Article 5, page 3 of the Articles of Agreement entitled "Professional Appraiser Certification."

10. IDENTIFICATION

All field personnel will be issued identification cards that include a photograph of the individual employee and signature of the County Assessor. It is the practice of the Professional Appraiser to register all field personnel vehicles with the County Sheriff's Office as well as local police departments and County Assessor's office. Additional identification for field personnel can be provided if needed.

11. INFORMAL HEARINGS / PTABOA

Please refer to Article 3, 3.03, on page 2 of the Articles of Agreement.

Company Qualifications

Company Qualifications

Introduction

The County is poised to contract with a Company to provide Annual Adjustment of Real Property Assessments. This strategically important decision will be a significant investment with long-term implications to the County. We believe that the CLT Division, an experienced CAMA and Mass Appraisal Firm as the County's partner to complete this project is the most cost effective way to balance the state requirements and the assessment concerns you face today.

Our goal in this qualification section is to demonstrate that we have the assessment experience, proven technological expertise, resources and vision to fulfill your needs.

Contractor Employers, Company Experience & Limitations

1. Name of firm: Tyler Technologies, Inc. | CLT Division

2. Address: 3199 Klepinger Road, Dayton, Ohio 45406

3. Telephone Number: 800-800-2581 ext. 1665

4. Fax number: 866-658-4258

5. Email Address: troy.fryman@tylertech.com or www.tyler-clt.com

6. How many years has this firm been in business?

   Cole Layer Trumble Company (CLT) has been in continuous business since 1938. In 1999 Tyler Technologies, Inc. purchased CLT. In 2004 Tyler established the CLT Division as the assessment and tax division of the Company.

7. Type of Company (Corp./LLC/Partnership): Tyler Technologies, Inc. is a corporation and was incorporated under the laws of the State of Delaware in 1989. Tyler is a publicly traded company listed on the New York Stock Exchange (NYSE) under the symbol **TYL**.

8. Name of principals:

   John S. Marr, Jr., President and CEO
   Dustin R. Womble, Executive Vice President, Product Strategy
   Brian K. Miller, Sr. Vice President and Chief Financial Officer
   H. Lynn Moore, Jr., Vice President, General Counsel and Secretary

9. Number of professional appraisers as defined in IC 6-1.1-4-17(c) and certified under 50 IAC 15 on staff:

We have more certified Indiana Appraisers on staff than all other Indiana Appraisal Companies combined; however, we have identified four appraisers that could be part of this project.

10. Number of support appraisers on staff: 136

11. Number of clerical personnel on staff: 61

12. Professional affiliations: International Association of Assessing Officials (IAAO), Indiana Chapter of IAAO, Indiana County Assessors Association (ICAA), Indiana Assessors Association Inc. (IAAI), Indiana Auditors Association and Association of Indiana Counties (AIC).

13. Who would be in charge of this project? Ms. Cathi Gould

14. Describe the qualities, resources, experience and abilities that uniquely qualify you for this project? We haven been serving Indiana counties for over fifty years with our mass appraisal services. Even though we are a national company, we have grown to be an Indiana Company by having an Indiana office and using Indiana people. Additional information can also be viewed in the lower section.

15. Recently completed similar projects: We have a successful track record completing Trending projects in Bartholomew County, Perry County, Sullivan County, Green County, Warrick County and Dubois County. In addition, Trending Consulting on a daily basis was performed in Fountain County, Past Appraisal Revaluation Services in Allen County, Bartholomew County, Clark County, Dubois County, Elkhart County, Johnson County, Henry County, Monroe County, Vigo County and Warrick County.

16. Current projects: We are currently working on Trending and Appraisal Support for Bartholomew, Clay, Crawford, Dubois, Perry, Sullivan and Warrick County and Consulting with Fountain and Greene County.

17. List three professional references complete with contact, address and phone number:

Bartholomew County, Indiana
Mr. Tom Owens
440 Third Street
Columbus, Indiana 47201
(812)379-1505

Dubois County, Indiana
Ms. Gail Gramelspacher
1 Courthouse Square, Room 301
Jasper, Indiana 47546
(812)481-7010

Sullivan County, Indiana
Ms. Vicki Talpas
100 Court House, Room 203
Sullivan, Indiana 47882
(812)268-5110

Reassessment, New Construction, Trending & Annual Appraisal Support Experiences

We successfully completed 11 reassessment projects in the state during the last reassessment. Furthermore, in less than 18 months we have completed the state's second largest county, Lake County, a state monitored reassessment project of 250,000 parcels. Over the last four years we have provided appraisal support services that include new construction, ratio studies, equalizations and trending to counties throughout the state.

Software Experience

We have the hands-on experience with a variety of software systems which gives us full advantage of its functions and capabilities. Whether the system is in-house or off the shelf we will be able to adapt and work with what it has to offer. The CLT Division just doesn't know appraisal, we just happen to be the largest CAMA provider in the Country as well.

Readiness for the Project

The successful completion of 11 reassessment projects has allowed the CLT Division to develop and maintain a strong and well equipped appraisal staff in the state. Therefore, we feel the County would benefit from the experience gained from these projects and the availability of personnel with substantial experience in their execution.

Why Choose the CLT Division

We believe we are well suited to become a partner with the County for the following reasons:

- The CLT Division is the largest provider of reassessment & appraisal services in the state.
- Proven track record of appraising over 1,000,000 parcels of real property in Indiana in the last six years.
- Long-term stability and resources of the CLT Division are unmatched in the industry. We have been serving our clients since 1938 and will be there when you need us.

- The CLT Division's long-standing commitment to quality is evidenced by our list of satisfied clients, which of course you are encouraged to contact.

Project Team Proposed On This Project

The CLT Division proposes Ms. Cathi Gould as project manager who will be responsible for the success of this project. Ms. Gould is a certified Level II Appraiser. Ms. Gould has extensive knowledge on trending procedures, appraisal support and Indiana assessment law. Ms. Gould brings over 23 years of experience.

In addition, the CLT Division proposes Mr. Bill Birkle as project manager who will partly be responsible for the success of this project. Mr. Birkle is a certified Level II Appraiser. Mr. Birkle is the former Warren Township Assessor from Marion County. During his time as Warren Township Assessor Mr. Birkle had over 45,000 parcels within his township with an assessed value over Five Billion.

The CLT Division will utilize Senior Commercial and Industrial Appraiser Gary Utt with his past appraisal experience in Johnson County.

We realize that the quality and fairness of the Annual Adjustment of Real Property will be questioned by property owners. The CLT Division maintains an aggressive quality assurance program to promote the highest standards in all phases of the project. Our quality control teams conduct a series of quality assurance audits to verify the consistency and accuracy of each project. A major priority is to maintain the highest level of client satisfaction.

Our public relations program is unmatched by our competitors. Using print media the CLT Division will keep the public and county officials informed. The message is that up-to-date property assessments are necessary for fairness and sound fiscal management. The CLT Division will provide Annual Adjustment of Real Property in an efficient, professional manner using qualified mass appraisal personnel and that the appraisal services has been monitored by internal/external audits to ensure the project has met state and appraisal industry standards.

The CLT Division will be committing the resources of a large and very successful Company to fulfill our contractual obligations. The project team we have proposed reflects the many years of experience that the CLT Division has accumulated. No other vendor can match our appraisal experience in Indiana. We have the resources to perform the project in a timely and professional manner, while lending a sense of confidence to the County that the project is being managed in a manner that the County would expect.

Company Brochure

Tyler Technologies | CLT Division

tyler*works.*

Advanced Software

Appraisal Services

Consulting Services

Training & Support

Who is Tyler Technologies?

Tyler Technologies is the leading provider of integrated, end-to-end information management tools and services for local governments. Headquartered in Dallas, Texas, the company provides professional software and services to more than 6,000 local government offices throughout all 50 states, Canada, Puerto Rico and the United Kingdom. These mission-critical applications provide municipalities with the ability to streamline and automate operations, resulting in improved productivity and reduced costs.

What is the CLT Division?

Tyler's CLT division is the nation's oldest and most trusted provider of mass appraisal outsourcing services and property tax administration software. Since it's founding in 1938 as the Cole Layer Trumble Company, the division has provided software and services to more than 1,200 assessing jurisdictions in the United States and Canada.

CLT is comprised of talented individuals, most of whom have spent their careers working in and serving assessment, audit and tax offices across the country. As a result, CLT maintains a unique, in-depth knowledge of how best to serve the needs of jurisdictions. CLT offers advanced technology that brings rich functionality to government offices, as well as appraisal and consulting services that provide vast experience and specialized knowledge.

CLT employees are experts in property tax administration. They use this experience to develop a wide-range of software tools, and to offer outsourcing services that are unmatched by any single company in our industry.

Advanced Software

CLT provides software for a variety of property tax functions to help jurisdictions manage residential, agricultural, commercial and personal property. Software functionality includes:

- CAMA (Computer Assisted Mass Appraisal)
- Assessment Administration
- Personal Property
- Manufactured Homes
- Inquiry & Appeal Tracking
- Tax Billing & Collection
- Delinquent Taxes
- Conveyance (Transfers)
- Tax Disbursement
- Tax Extension
- Public Access
- Workflow
- GIS Integration
- Sketch Capability
- Field Data Collection

Professional Services

CLT has a long, reputable history of providing expert services to jurisdictions of all sizes. Its highly experienced field team uses the most efficient and economical methods available to perform a variety of services. These services help determine valid, accurate and equitable values, and include:

- Revaluation
- Valuation Consulting
- New Construction
- Image Data Collection
- Project Management
- Data Entry
- Update Services
- Complex Property Valuation
- Value Defense
- Training
- Systems Design
- Data Processing
- Public Relations

We know assessment & tax.

Tyler Technologies | CLT Division
3199 Klepinger Road, Dayton, Ohio 45406
Toll Free: (800) 800-2581 Fax: (937) 278-3711 Email: property_tax_info@tylerworks.com www.tyler-clt.com

Sample Certificate of Insurance

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID FZ TYLER-2

DATE (MM/DD/YYYY) 06/18/07

PRODUCER

Hays Companies
33 Federal Street, 3rd Floor
Boston MA 02110
Phone: 617-723-7775 Fax: 617-723-5155

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Tyler Technologies, Inc.
Munis Division
Cole-Layer-Trumble Company
Eden Systems, Inc.
The Software Group
5949 Sherry Lane
Dallas TX 75225

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Hartford Fire Insurance Co.	19682
INSURER B:	Hartford Casualty Company	
INSURER C:	Hartford Ins. Co. of Midwest	37478
INSURER D:	American Int'l Specialty Lines	
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	08 UUN AB1553	03/01/07	03/01/08	EACH OCCURRENCE	$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurence)	$300,000
						MED EXP (Any one person)	$10,000
						PERSONAL & ADV INJURY	$1,000,000
						GENERAL AGGREGATE	$2,000,000
						PRODUCTS - COMP/OP AGG	$2,000,000
A		AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	08 UUN AB1553	03/01/07	03/01/08	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
B		EXCESS/UMBRELLA LIABILITY X OCCUR CLAIMS MADE DEDUCTIBLE X RETENTION $10,000	08 RHU AB1435	03/01/07	03/01/08	EACH OCCURRENCE	$15,000,000
						AGGREGATE	$15,000,000
							$
							$
							$
C		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	08 WB RJ4914	03/01/07	03/01/08	X WC STATU-TORY LIMITS / OTH-ER	
						E.L. EACH ACCIDENT	$1,000,000
						E.L. DISEASE - EA EMPLOYEE	$1,000,000
						E.L. DISEASE - POLICY LIMIT	$1,000,000
D		OTHER Professional Liab	9655581	11/17/06	11/17/07	Agg	10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Evidence of Coverage

CERTIFICATE HOLDER

EVIDEN9

Evidence of Coverage

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE